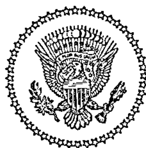
# Economic Report of the President

## TRANSMITTED TO THE CONGRESS

## JANUARY 20, 1955



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# LETTER OF TRANSMITTAL

THE WHITE HOUSE,
*January 20, 1955.*

*To the Congress of the United States:*

I am herewith presenting my Economic Report, as required by Section 3 (a) of the Employment Act of 1946.

In preparing this Report, I have had the assistance and advice of the Council of Economic Advisers. I have also had the advice of the heads of executive departments and independent agencies.

I present below, largely in the words of the Report itself, what I regard as its highlights.

*Sources of Economic Progress*

With production and employment now increasing on a broad front, the events of the past year have borne out the major conclusions of the Economic Report of January 1954 concerning the state of our economy and the policies needed to promote sound economic growth.

Economic well-being sustains our whole national life. A high and rising standard of living brings to more of our people the opportunity for continued intellectual and spiritual growth.

The main sources of our Nation's economic strength are its free institutions and the qualities of its people—their ambition, skill, enterprise, and willingness to make great efforts in their own behalf and in behalf of their families and communities.

The need of our times is for economic policies that, in the first place, recognize the proven sources of sustained economic growth and betterment, and in the second place, respect the need of people for a sense of security as well as opportunity in our complex, industrialized society.

A free economy has great capacity to generate jobs and incomes if a feeling of confidence in the economic future is widely shared by investors, workers, businessmen, farmers, and consumers.

Many factors favor a continuation of our vigorous economic growth. The population is increasing rapidly, educational levels are rising, work skills are improving, incomes are widely distributed, consumers are eager to better their living standards, businessmen are starting new enterprises and expanding old ones, the tools of industry are multiplying and improving, research and technology are opening up new opportunities, and our public policies generally encourage enterprise and innovation.

With wise management of the national household, our country can within a decade increase its production from the current annual level of about 360 billion dollars to 500 billion, or more, expressed in dollars of the same buying power.

In the future as in the past, increases in productivity and in useful employment opportunities will be the core of economic expansion.

The role of the Federal Government in the achievement of these goals is to create an atmosphere favorable to economic activity by encouraging private initiative, curbing monopolistic tendencies, avoiding encroachment on the private sector of the economy, and carrying out as much of its own work as is practicable through private enterprise. It should take its full part at the side of State and local governments in providing appropriate public facilities. It should restrain tendencies toward recession or inflation. It should widen opportunities for less fortunate citizens, and help individuals to cope with the hazards of unemployment, illness, old age, and blighted neighborhoods.

Last year the Government took many steps, both legislative and administrative, to encourage economic expansion. Fiscal and monetary measures fostered an expectation of improving economic conditions and encouraged people to maintain a high rate of expenditure. The opportunities of competitive enterprise were enlarged; economic ties with other countries were improved; the floor of personal and family security was strengthened; and additions were made to our public assets.

*The Economy Today*

The year 1954 was one of transition from contraction to recovery. The contraction reflected the efforts of businessmen to reduce inventories, and was aggravated by a large reduction in military expenditures.

The contraction was relatively mild and brief, because of a variety of timely public and private actions.

The Government cut taxes, the Federal Reserve System eased credit conditions, and the Treasury arranged its financing so as not to compete with mortgages and other long-term issues. A comprehensive program for encouraging private enterprise was submitted to the Congress. Apart from this, the decline in private incomes was automatically cushioned by increased payments of unemployment insurance and other benefits and by sharp cuts in taxes due the Government on the reduced incomes.

Consumers maintained a high rate of spending, businessmen kept capital expenditures at a high rate, builders stepped up their activities, trade unions conducted their affairs with a sense of responsibility, farmers recognized the dangers of piling up ever larger surpluses, private lenders made ample supplies of credit available on liberal terms, States and localities carried out large construction programs, and export demand remained strong.

Although manufacturing production fluctuated, total output was fairly stable, and disposable personal income reached record levels. But some

industries and localities suffered from serious unemployment. The fortunes of most of them turned for the better when recovery got under way in the early autumn, and they will benefit from further general economic expansion.

Instead of expanding Federal enterprises or initiating new spending programs, the basic policy of the Government in dealing with the contraction was to take actions that created confidence in the future and stimulated business firms, consumers, and States and localities to increase their expenditures.

The vigor of the recent recovery, which has already made up half of the preceding decline in industrial production, suggests that economic expansion will probably continue during coming months. It holds out the promise that we shall achieve a high and satisfactory level of employment and production within the current year.

A further expansion of consumer spending may reasonably be expected; we are soon likely to experience some rebuilding of inventories; the decline of Federal spending next year will be less rapid than during the last two years; State and local expenditure will probably continue to expand; the outlook for housing and commercial construction continues to be good; there is a prospect that plant and equipment expenditures may turn upward, as the general economic advance proceeds; the outlook for export demand is brightened by the economic resurgence of an ever-widening area of the Free World.

It is essential to keep a close watch on financial developments; continued economic recovery must not be jeopardized by overemphasis of speculative activity.

*Toward Sustained Economic Growth*

The wise course for Government in 1955 is to direct its program principally toward fostering long-term economic growth rather than toward imparting an immediate upward thrust to economic activity.

Further efforts to reduce Federal expenditures, together with increasing revenues from a tax base growing as the economy expands, should make possible some additional general tax reductions next year. Progress could then also be made in further lowering tax barriers to the free flow of funds into risk-taking and job-creating investments.

Government should persist in its efforts to maintain easy entry into trade and industry, to check monopoly, and to preserve a competitive environment. Continued encouragement should be given to small and new businesses.

Scientific research and development activities in all their phases should continue to have the earnest support of the Federal Government.

Measures by ourselves and other nations to reduce existing barriers to international trade, payments, and investment will make the Free World stronger and aid our own economic growth.

Measures should be considered to extend personal security against the hazard of unemployment, to strengthen minimum wage legislation, to protect savings in credit unions, and to increase the President's discretionary authority to vary the terms of insured mortgage loans in the interest of economic stability.

A great ten-year program to modernize the interstate highway system should be authorized.

Our partnership policies of water resource development should be further implemented by appropriate Congressional and local action.

Action should be taken this year to help meet our Nation-wide needs for school construction. I shall shortly send to the Congress a special message that will deal with methods by which the Federal Government can appropriately assist in this vital field.

Support should be provided for an Office of Coordinator of Public Works Planning in the Executive Office of the President, and for a revolving fund for advances to the States and municipalities for public works planning.

*Conclusion*

Our Nation's recent history teaches that a foresighted Government can do much to help keep the economy stable, but experience affords no good basis for a belief that the Government can entirely prevent fluctuations.

We should harness the idealism as well as the intelligence of our generation to the practical end of facilitating the growth of private enterprise and of increasing the stability of our economy.

The Government will shoulder its full responsibility to help realize that goal.

DWIGHT D. EISENHOWER

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# Chapter 1

# The Expansive Power of the American Economy

THIS IS THE SECOND REPORT of the present Administration under the provisions of the Employment Act of 1946, which declares it to be a continuing responsibility of the Federal Government "to promote maximum employment, production, and purchasing power." The earlier Report set forth the conditions of economic progress in our country and in our times. By and large, the events of the intervening year have borne out the conclusions of that Report concerning the economic state of the Nation and the policies needed to promote sound economic growth.

## I. Obligations of Federal Government Under Employment Act

### *The Employment Act*

The authors of the Employment Act wisely recognized that the main source of the economic strength of a nation consists in free institutions and the qualities of its people—their ambition, skill, enterprise, and willingness to make great efforts in their own behalf and in behalf of their families and communities. The Act therefore emphasizes economic growth rather than the mere stoppage or alleviation of business contractions. And it stresses the importance of using the powers of Government "to foster and promote free competitive enterprise," which has been the great energizer of our own Nation and of every other nation that has possessed the wisdom to submit to its discipline.

In framing the Employment Act, the Congress recognized that the Government has no way of guaranteeing prosperity and that, if a recession occurs, no single action or rule of policy will necessarily suffice to generate a lasting recovery. The Act does not prescribe what means are to be used by the Federal Government in promoting the basic objective of maximum employment and production. It does, however, specify that the means must be consistent with the "needs and obligations" of the Government and with "other essential considerations of national policy." In other words, in implementing the Employment Act, the Federal Government is subject to certain constraints. Among other things, it must honor the constitutional rights of individuals; it must respect the authority of the States; and it must protect the integrity of the money in which contracts are expressed and payments made.

The obligation of the Federal Government under the Employment Act "to promote maximum employment, production, and purchasing power," and to do so by means that are consistent with "other essential considerations of national policy," is not always remembered. Some citizens, lacking faith in the ability of the private economy to generate a high level of activity, espouse a steadily increasing role for Government. They urge new public undertakings and unbalanced budgets as devices for augmenting private demand, often with little regard to the cause or magnitude of any deficiency in demand. Other citizens, adhering to what they regard as the ultimate economic verities, are critical of any governmental action that is designed to prevent or to minimize the rigors of depressed incomes and unemployment.

These are extreme and doctrinaire positions. If the one is insensitive to the inequities of inflation, the other is insensitive to the misfortunes of depression. Each carries the danger of undermining, sooner or later, our system of free competitive enterprise. Neither is suited to our needs or our times. The American people believe firmly in economic freedom, but will not passively accept depression or inflation. The need of our times is for economic policies that, in the first place, recognize the proven sources of sustained economic growth and betterment, and in the second place, respect the need of people for a sense of security as well as opportunity in our complex and industrialized society.

*Basic Economic Tenets*

The economic actions of this Administration and its program for the future rest upon certain basic propositions. *First,* competitive markets, rather than governmental directives, are as a rule the most efficient instruments for organizing production and consumption. *Second,* a free economy has great capacity to generate jobs and incomes if a feeling of confidence in the economic future is widely shared by investors, workers, businessmen, farmers, and consumers. *Third,* the Federal Government creates an atmosphere favorable to economic activity when it encourages private initiative, curbs monopolistic tendencies, whether of business or labor, avoids encroachment on the private sector of the economy, and carries out as much of its own work as is practicable through private enterprise. *Fourth,* the Federal Government generates confidence when it restrains tendencies toward recession or inflation, and does this by relying largely on indirect means of influencing private behavior rather than by direct controls over people, industries, and markets. *Fifth,* the Federal Government contributes to economic growth when it takes its part, at the side of the States, in promoting scientific research and in providing public facilities, such as highways, hospitals, harbors, and educational institutions, on which the expansion of the private economy heavily rests. *Sixth,* the Federal Government strengthens the foundations of the economy when it widens opportunity for its less fortunate citizens and, working in cooperation with the

States and localities, helps individuals to cope with the hazards of unemployment, illness, old age, and blighted neighborhoods.

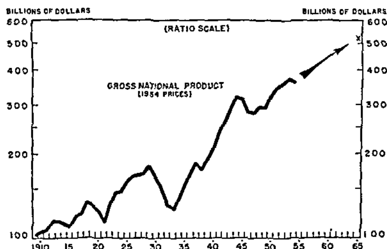
These economic tenets are basic and inseparable. They constitute guides to policies which, if pursued persistently, will advance us toward the goal of an increasing national income, shared equitably among those who contribute to its growth, and realized in dollars of stable buying power. In broadest outline they constitute the framework of an economic system that is at once strong and humane, a system that can provide both greater material abundance and a better quality of living.

## II. Paths to Economic Growth

### *The Growth Potentials of Our Economy*

The American economy has created new jobs and produced marvels of abundance in the past. It should be able to do so in equal or even greater degree in the future. Our population is rapidly increasing, educational levels are rising, work skills are improving, incomes are widely distributed, consumers are eager to improve their living standards, businessmen are actively engaged in starting new enterprises and expanding old ones, the tools of industry are multiplying and improving, research and technology are constantly opening up new opportunities, and our public policies generally encourage enterprise and innovation. With so many favorable factors, a continuation of rapid economic growth may reasonably be expected.

CHART 1



An arithmetical calculation, based on a number of technical assumptions, the most important being that the average annual gains in productivity that we have had in recent times will occur in the future, shows (see Chart 1) that our country can within a decade increase its production from a current annual level of about 360 billion dollars to 500 billion or more, with the figures expressed in dollars of the same buying power. Of course, the record of the past sets no limit to our future achievements. Nor should we permit arithmetical projections to obscure the basic fact that an economy succeeds only as people succeed. Our economic future depends on the full use of the great treasure house of intelligence, skill, energy, and confidence of the American people.

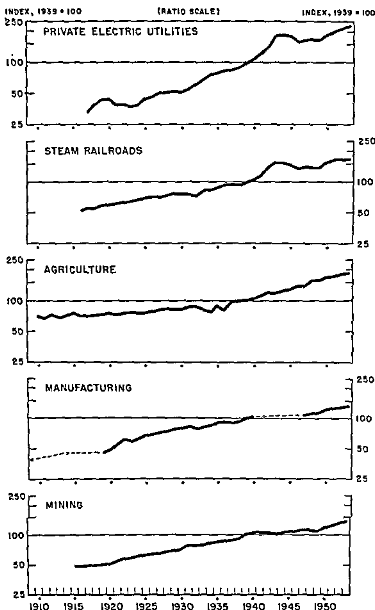
A glorious economic future may be ours, but it is not vouchsafed to us. We shall achieve it only by wise management of our national household. In the future as in the past, increases in productivity and in useful employment opportunities will be the core of economic expansion (see Chart 2). The tools and equipment used by farm, factory, mine, and office workers must be multiplied and improved. Industrial techniques, materials, and management must become more efficient, and skills and morale enhanced, so that the amount of production for each hour worked will increase. And unless there are satisfactory jobs for those who seek useful employment, and unless human labor is devoted increasingly to the production of goods and services that improve the quality of life, our gains in productivity may be dissipated.

*Role of Government in Progress*

The history of our country, as well as of other parts of the Western World, demonstrates that economic progress depends fundamentally on the enterprise and initiative of millions of people seeking to better themselves. In such a process of economic expansion the Government can play, however, a highly constructive role. Within its own proper sphere, the Government must be ready and willing to act. Indeed, failure or reluctance to play its part can be a serious handicap to economic growth, as would a similar lack of initiative on the part of private enterprise.

Among the activities essential to economic progress and in which there is a large public interest is the field of education, extending from education for literacy to the highest reaches of theoretical inquiry. Scientific and technical knowledge, research and development programs, and industrial innovation and its diffusion are the wellsprings of an increasing output per man-hour, upon which our hopes for a better life and more leisure in the future largely depend. An enlightened public policy must therefore focus attention upon augmenting the number of young people who have scientific, engineering, and technical skills; upon encouraging creative thinking and invention; upon inducing business enterprises and nonprofit organizations to support expanding programs of research; upon enlarging the range and depth of Federal research and development programs in fields that cannot be covered adequately by private efforts; and upon hastening the industrial application of new methods and ideas through new investments.

CHART 2



OUTPUT PER MAN-HOUR IN MAJOR INDUSTRIES, 1909–53
INDEX, 1939 = 100
(RATIO SCALE)
INDEX, 1939 = 100
PRIVATE ELECTRIC UTILITIES
STEAM RAILROADS
AGRICULTURE
MANUFACTURING
MINING
250
100
50
25
1910
1915
1920
1925
1930
1935
1940
1945
1950
NOTE: BROKEN LINE CONNECTING POINTS INDICATES DATA NOT AVAILABLE FOR INTERVENING YEARS.
SOURCE: COUNCIL OF ECONOMIC ADVISERS, BASED ON DATA FROM VARIOUS GOVERNMENT AND PRIVATE SOURCES

Public policy must also protect incentives and encourage a spirit of enterprise and innovation among people. The man or woman who, in the hope of personal betterment, works harder, designs a new product, creates a new method, invests in a new business, moves to a new job, or suggests a new idea to his employer must believe that the rewards of initiative and effort are worth while. Through all of its policies the Government must encourage enterprising action by business managers, investors, and workers, in an environment that is kept basically free and competitive.

Economic progress entails changes in technology and commerce, and these changes require adjustments by people to new and altered ways of doing things. To insure that a dynamic economic environment involves a minimum of personal hardship and a maximum of new opportunity, governmental policies should be designed to ease the movement of people to new areas or new occupations. Through an ever wider possession of education, technical skill, and capacity for movement, new doors of economic opportunity can be opened and the remaining pockets of low income in our land can be reduced.

*Expansion of private economic activity calls for great increases in the* Nation's physical stock of public capital, as the Economic Report to the Congress in January 1954 pointed out. Government—State and local as well as Federal—has a responsibility to see that progress is promoted by adequate public works for education, medical care, transportation, conservation, and recreation.

The achievement of our economic goals requires that we further strengthen the floor of security for individuals and families in our industrialized society. When people have provided for minimum needs in their old age or in the event of misfortune, they are apt to become more productive and more venturesome participants in an expanding economy. A wise Government can help people to provide for these needs, without impairing their self-reliance.

A strategy for realizing our Nation's growth potential must include, as an indispensable part, measures by ourselves and others for gradually clearing the channels of trade, of payments, and of investments between nations, so that our people as well as others may devote themselves to the tasks in which they have a special advantage, and so that the Free World may be bound together by a mutually beneficial economic intercourse. Thus our Nation's security, as well as its material welfare, may be advanced.

Finally, we must continue to coordinate all governmental programs, especially monetary and fiscal policies, in order to restrain and offset any tendencies that may develop toward recession or inflation. An expanding economy requires increases in the supply of money and credit, but not on a scale that invites inflation in the present and possible depression in the future. The Federal Government should continue to manage its revenues, debts, and expenditures, and conduct its regulatory activities, so as to contribute to the expansive strength and stability of the economy.

During the year that has just closed, the Government has taken many steps, both legislative and administrative, to put into effect policies that augment the expansionary powers of our economy and that express the basic economic tenets set forth in this Report. These actions have helped to generate confidence in the minds of the American people.

### *Fiscal and Monetary Actions*

The most powerful and pervasive of these actions have been of a fiscal and monetary character. The reduction in military and other outlays, which occurred after the ending of the Korean conflict, made possible sharp cuts both in taxes and in the Federal budgetary deficit (see Chart 3). Concurrently, the Federal Reserve authorities made clear their intention to maintain an adequate supply of credit at moderate cost, so long as this facilitated economic growth without inflation. These fiscal and monetary measures stimulated constructive economic attitudes and behavior on the part of consumers and businessmen. They fostered the expectation of improving economic conditions, reasonably stable prices, efficient housekeeping by Government, and tax reductions in the future. Thus, they encouraged the maintenance of a high rate of private spending, and set the stage for successful application of other governmental policies to foster long-term expansion.

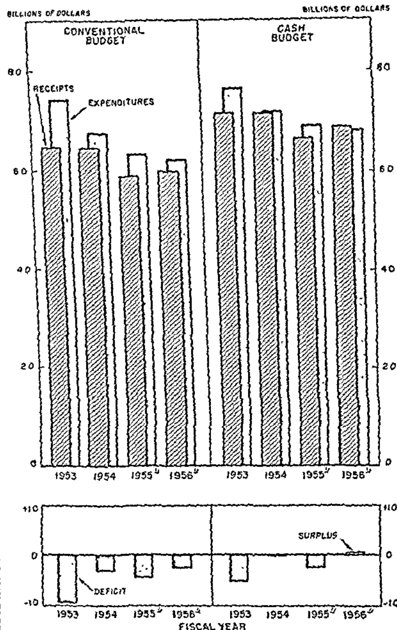
### *Enlarging the Opportunities of Competitive Enterprise*

Recent actions of the Congress and the Executive have enlarged and clarified the range of private enterprise. Of great potential significance is the new law which authorizes the Atomic Energy Commission to license, with due regard to the public interest, the use of special nuclear material in privately-owned reactors, and which substantially broadens patent protection for private inventions in the atomic energy field. Opening the door to competitive enterprise in the development of nuclear power and other industrial uses of atomic energy will magnify the benefits our people are already deriving from this new resource.

The Government also made progress in redrawing the line separating private and public enterprise. Steps were taken to dispose of numerous enterprises for which public operation was inefficient or of doubtful advantage. Simultaneously, the Government increased the amount of its contracting with private firms for necessary services and facilities—as an alternative to producing them itself, often at higher cost to the taxpayer. To hasten the economic development of our water resources, and yet restrict Federal participation to what others are incapable of accomplishing, the partnership principle of Federal cooperation with local interests, public or private, was launched.

The vigor of competitive enterprise has been promoted by many changes in our laws. Thus the recent tax law liberalized depreciation allowances,

CHART 3


FEDERAL RECEIPTS AND EXPENDITURES
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
CONVENTIONAL BUDGET
CASH BUDGET
RECEIPTS
EXPENDITURES
80
60
40
20
0
1953
1954
1955[1]
1956[1]
+10
0
-10
SURPLUS
DEFICIT
FISCAL YEAR
[1]ESTIMATES
SOURCES: TREASURY DEPARTMENT AND BUREAU OF THE BUDGET

extended the period over which business losses can be carried back for tax purposes, facilitated a ploughing back of earnings for expansion, encouraged research and development expenditures, and granted a limited tax credit on dividends received by shareholders. All of these measures should assist business firms, especially those of medium or small size, to grow and to provide new jobs at satisfactory wages. At the same time, legislation was passed to relax Federal controls over farming. The introduction of flexible price supports for basic crops and the modernization of the "parity" formula will facilitate the adjustment of our farming enterprises to changing markets and thus help improve the outlook for the farmer.

*Strengthening Economic Ties with Other Countries*

Although action on major proposals for changes in our foreign economic policy was deferred to this year, several constructive measures to advance international trade and investment were adopted during 1954. Government controls of the export of many commodities to friendly countries were removed. The lending authority of the Export-Import Bank was increased from 4.5 billion to 5 billion dollars, and a new export-credit program was introduced to facilitate trade. Action was taken to establish uniform and reasonable standards for the application of the Buy American Act. Improvements in customs administration were made to benefit trade.

With the aim of enlarging private investment abroad, the Foreign Operations Administration extended the coverage and halved the premium charge for government insurance against expropriation or currency inconvertibility. Another advance toward the same objective was made by removing the over-all limitation on the extent to which foreign tax payments could be credited against United States income taxes, and by allowing shareholders in regulated investment companies having more than one-half their investments in foreign countries to benefit by foreign tax credits.

*Building the Floor of Personal and Family Security*

As a result of governmental actions during the past year, many people are now better able to meet their housing needs and the problems of old age and unemployment. Over 10 million men and women were brought into our system of Old-Age and Survivors Insurance. Social security contributions were increased, but the scale of benefits paid to the aged was raised and the amount of their permissible earnings increased. At the same time, pensions and disability compensation rates for veterans were raised.

The Federal-State unemployment insurance system was also strengthened. Over 1.3 million workers in smaller firms and 2.3 million Federal civilian employees were brought into the system, thus raising the total covered population to approximately 40 million. Both the amount and the maximum duration of benefits payable under the unemployment insurance law in the District of Columbia were increased. A special Federal loan fund was established to assure uninterrupted payment of unemployment benefits by States whose reserve funds may become low. To meet acute personal

problems, provision was made for substantially larger grants to the States for vocational rehabilitation.

Important actions were also taken to extend home ownership, conserve [illegible] terms [illegible] n- [illegible] he application of mortgage insurance was extended to sale and rental housing in blighted areas. Federal grants and loan funds were provided to aid urban renewal. Along the same line, the authority of the Administrator of Veterans' Affairs to make direct home and farmhouse loans to veterans was extended, and additional funds were made available for this purpose.

*Expansion of Public Assets*

Recognizing that the provision of public roads, schools, hospitals, and community facilities has long lagged behind our needs, the Federal Government acted last year to augment a number of public works activities. Federal highway grants to the States of 875 million dollars were authorized for each of the fiscal years 1956 and 1957, thus greatly increasing the annual amount of Federal aid previously made available. One hundred and twenty-five million dollars was made available for school construction in areas where Federal activities had affected school enrollment. Substantial aid was authorized to the States for building hospitals and other medical facilities, and was backed by an appropriation of nearly 100 million dollars for the fiscal year 1955. After many years of debate concerning the St. Lawrence Seaway, a development corporation was finally created and authorized to cooperate with a Canadian agency in the construction of the Seaway, our share of the cost to be financed on a self-liquidating basis. Apart from this, over 1 billion dollars was authorized for the construction and repair of navigation, flood control, and other civil works. Additional authorizations for military construction were made, supported by an appropriation of 817 million dollars for the fiscal year 1955. Within the same category of legislation was the authority granted to the Executive to add to the tanker fleet. Finally, important steps were taken to put advance planning of public works on a more systematic basis.

*Plan of Report*

The effects of these and related governmental actions are considered later in this Report and its Appendices. The next chapter is devoted to a review of recent economic developments, the principal measures taken by Government to influence their course, and the prospects of the economy. This review should help us determine the next steps of a governmental policy aiming to promote a sustained and satisfactory rate of economic growth. A program of proposed governmental actions is set forth in the third and final chapter.

# Chapter 2

# A Year of Economic Transition

AT THE TIME last year when the Economic Report was submitted to the Congress, our economy was undergoing a contraction, partly as a result of readjustments forced by the ending of the Korean conflict, partly for other reasons. Today, after a small and brief over-all decline, though one that affected individual industries and localities unevenly, production and employment are again increasing on a broad front. The recovery has already carried economic activity to the highest level of the past twelve months. And although aggregate production and employment during 1954 fell somewhat short of the levels reached in 1953, the year just concluded will go down in history as one of our most prosperous years. The following analysis of recent events is documented by the charts and tables of this chapter, and by the evidence assembled in Appendices B and D.

## I. The Onset of Contraction

In our economy, or in any other of which we have definite knowledge, occasional imbalances between production and sales are virtually bound to occur. Such a condition developed in 1953. After the steel strike in the summer of 1952 was settled, production, employment, and incomes increased sharply. So too did consumer spending, though at a somewhat lower rate

Table 1.—*Changes since 1939 in physical volume of production*

| Type of output | Percentage change [1] from— | | | |
|---|---|---|---|---|
| | 1939 to 1954 | 1946 to 1954 | 1952 to 1954 | 1953 to 1954 |
| Gross national product [2] | +89 | +28 | +1 | −3 |
| Agricultural production | +35 | +10 | +1 | 0 |
| Industrial production: Total | +116 | +39 | +1 | −7 |
| Manufactures | +123 | +41 | +2 | −7 |
| Minerals | +63 | +22 | −3 | −4 |
| New construction [3] | +90 | +96 | +10 | +5 |
| Consumer services [2,3] | +72 | +24 | +4 | +1 |
| Railway freight carried [4] | +56 | −10 | −12 | −10 |
| Electric power production [5] | +266 | +109 | +17 | +6 |

Sources: Department of Agriculture, Department of Commerce, Department of Labor, Board of Governors of the Federal Reserve System, Federal Power Commission, Interstate Commerce Commission, and Council of Economic Advisers.

CHART 4

# INDICATORS OF PROSPERITY

BILLIONS OF DOLLARS

DOLLARS

1954 PRICES

WORLD WAR II

KOREA

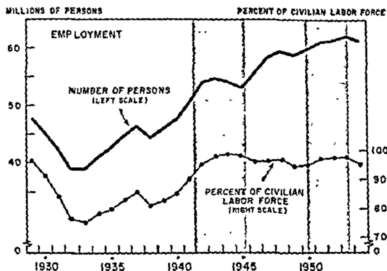
GROSS NATIONAL PRODUCT (LEFT SCALE)

TOTAL DISPOSABLE PERSONAL INCOME (LEFT SCALE)

PER CAPITA DISPOSABLE PERSONAL INCOME (RIGHT SCALE)

400 300 200 100 0

1600 1400 1200 1000 800 0




SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS

than the increase of personal incomes. The rate of general economic expansion was reduced, but continued to be fairly rapid, during the early months of 1953. Total spending by consumers roughly kept pace with their rising incomes during these months; however, spending on commodities, as distinct from services, tapered off. Inventories therefore kept rising, particularly those held by retailers. About the same time the flow of new defense contracts, which tie up inventories of factories on a larger scale than civilian production, diminished sharply. In view of these developments, as well as the general quickening of deliveries, many business firms deemed it prudent to bring their inventories into better balance with sales and incoming orders. The effort to adjust inventories led to scattered declines in production, which became visible in the Nation's aggregate of industrial production after July 1953. Within a few months, total production fell short of consumption, just as it had previously exceeded consumption. An inventory recession, of the sort that occurred in 1948–49 and earlier times in our history, was under way.

This economic readjustment was complicated and aggravated by the close of hostilities in Korea. With the war at an end, the need for many types of defense goods diminished. At the same time, basic defense plans were being modified to strengthen our economy for what might prove a very long period of "cold war." The changed situation in Korea, the revisions of military programs, and improvements in the administration of our defense establishment brought about a sizable drop of military and related expenditures. A larger reduction was carried through during 1954 than had been anticipated, and it called for further readjustments by the economy. For the decline of defense spending not only reduced the Nation's stream of expenditures for final use; it also accentuated the efforts of businessmen to cut inventories.

The primary contractive factor during the latter part of 1953 was the adjustment of inventories. This role shifted to defense spending after the turn of the year. In the second quarter of 1953 businessmen added to their inventories at an annual rate of 5.4 billion dollars. In the first quarter of 1954 they reduced their inventories at a rate of 4.2 billion. In the meantime, expenditures on national security fell from an annual rate of 54.3 billion dollars to 46.9 billion, while total Federal spending on goods and services fell from 62.2 billion to 55.0 billion. Thus the combined decline of inventory and defense spending over this nine-month interval was at an annual rate of 17 billion dollars.

This reduction of expenditures was reflected rather promptly in production, employment, the flow of incomes, business loans, imports, and other phases of the Nation's economic life. The over-all decline of economic activity was small, but its impact was very uneven, and some industries and localities suffered seriously. The impact of inventory liquidation and of the cuts in defense expenditures was heaviest on those engaged in the manufacture of durable goods. Other factors added to the downward pressure

TABLE 2.—*Recent changes in income, production, and employment*

| Item | Percentage change [1] from— | | | |
|---|---|---|---|---|
| | 1953 to 1954 [2] | July 1953 to March 1954 | March 1954 to August 1954 | August 1954 to December 1954 [2] |
| INCOME | | | | |
| [illegible] Total | +0.1 | −1.1 | +0.1 | +2.0 |
| [illegible] | −1.1 | −3.2 | +.4 | +1.3 |
| [illegible] | −1.6 | +1.6 | −2.1 | −.5 |
| [illegible] | +5.7 | +3.6 | +1.4 | +.9 |
| [illegible] | +14.5 | +11.8 | +3.3 | +4.5 |
| Disposable personal income (after taxes) | +1.4 | +.2 | +.1 | +2.3 |
| Corporate profits [3] | | | | |
| Before taxes | −11.2 | −17.7 | −.9 | +8.2 |
| After taxes | −2.7 | −10.3 | −.6 | +8.0 |
| PRODUCTION | | | | |
| Industrial production, Total | −6.7 | −10.2 | .0 | +5.7 |
| Manufactures Total | −6.6 | −10.1 | .0 | +6.0 |
| Durable goods | −9.8 | −14.0 | .0 | +7.4 |
| Nondurable goods | −1.7 | −5.8 | .0 | +4.4 |
| Minerals | −4.3 | −6.7 | −2.7 | +6.4 |
| New construction [4] | +5.2 | +3.7 | +4.7 | +2.1 |
| EMPLOYMENT [5] | | | | |
| Employment Total | −1.6 | −1.9 | −.9 | +.6 |
| Nonagricultural establishments Total | −2.8 | −2.9 | −1.0 | +.8 |
| Manufacturing | −7.1 | −7.1 | −3.3 | +2.0 |
| Mining | −11.7 | −8.5 | −5.4 | −2.9 |
| Transportation | −7.0 | −6.1 | −.1 | −.9 |
| All other | +.5 | +.3 | +.3 | +.5 |
| Man-hours worked in manufacturing: Total | −10.8 | −11.5 | −3.1 | +3.6 |
| Durable goods | −13.8 | −14.4 | −5.1 | +5.5 |
| Nondurable goods | −6.3 | −7.2 | −.3 | +1.1 |

[1] Changes based on seasonally adjusted data

[2] Preliminary, For labor, proprietors', and investment income, changes are based on data through November.

[illegible]

ties.

Sources: Department of Commerce, Department of Labor, Board of Governors of the Federal Reserve System, National Bureau of Economic Research, and Council of Economic Advisers.

TABLE 3.—*Recent changes in gross national product and its major components*

[Billions of dollars, seasonally adjusted annual rates]

| Item | Change from— | | |
|---|---|---|---|
| | Second quarter 1953 to first quarter 1954 | First quarter 1954 to third quarter 1954 | Third quarter 1954 to fourth quarter 1954 [1] |
| *Gross national product:* Total | −14.1 | −0.3 | +6.2 |
| [illegible] | −9.6 | −.6 | +3.3 |
| [illegible] | −7.2 | −7.1 | −1.8 |
| [illegible] | −.3 | +4.3 | +2.7 |
| [illegible] | −1.8 | +1.4 | +.6 |
| [illegible] | +2.2 | +.9 | +.2 |
| [illegible] | +2.5 | +.8 | +.5 |

[1] Preliminary.

NOTE: *Detail will not necessarily add to totals because of rounding.*

*Sources:* Department of Commerce and Council of Economic Advisers.

on this sector of the economy. Although total spending by consumers was virtually unchanged between the second quarter of 1953 and the first quarter of 1954, their outlays on durable goods were considerably reduced. Investors in fixed capital likewise reduced their outlays on equipment, though not on construction. In consequence, while the physical volume of nondurable manufactures declined 6 percent between July 1953 and March 1954, the production of durables declined 14 percent and manufacturing production as a whole, 10 percent. About 1¼ million men and women lost their jobs in manufacturing during this period, nearly a million of them in steel mills, ordnance establishments, shipbuilding yards, automotive plants, locomotive works, and other durable goods factories. In the meantime, overtime work was curtailed and the average length of the workweek declined. Wage rates continued to rise, but their influence was swamped by reduced employment and working hours, and the annual rate of wage income in manufacturing fell by 5½ billion dollars, or 11 percent. As is usual at such a time, profits fell more sharply; dividend payments, on the other hand, were maintained or even increased.

Economic contraction was not confined to manufacturing industries. Sizable reductions of activity occurred also in the mineral and transportation industries, particularly in coal mining and railroading, whose long-standing difficulties in maintaining a satisfactory market position were accentuated. Agriculture continued to be characterized by large surpluses, inadequate exports, and lower prices received by farmers relative to those paid by them. Other branches of industry—notably, construction, the electrical utilities, and the great range of service industries—were successful in resisting the forces of contraction and even continued to grow. Nevertheless, by early March 3¾ million persons were unemployed, an increase of about 2 million from the preceding July. Another ¼ million were temporarily laid off, and a large number were working only part time. A cry of impending depression was raised.

## II. Gathering Forces of Recovery

The depression that so many feared or expected did not, however, develop. Toward the end of 1953 signs of improvement began to appear in financial and investment markets, and these indications multiplied after the turn of the year. Stock prices started rising in September 1953. Contracts for residential building resumed their advance at about the same time. Contracts for commercial and industrial building joined the advance at the beginning of the new year, as did new business incorporations and orders placed with manufacturers of durable goods. The liabilities of business firms forced into failure reached a peak in February, then declined irregularly. Meanwhile, money rates, which had been falling since June 1953, continued to move downward. Credit became more readily available at progressively cheaper rates. The terms of mortgage financing, which had already been extensively liberalized by the fall of 1953, continued to ease

during 1954, and a buoyant market developed for new mortgages. Also the market for capital issues, especially for State and local government bonds, became increasingly active and confident.

The early recovery was most dramatic in the financial and investment spheres, but it was not confined to them. After the turn of the year, retail sales began to increase, despite a substantial drop of outstanding consumer credit. Exports rose above the preceding year's level, despite a drop of imports. Inventories of manufacturers continued to decline, and sales therefore continued to exceed production. But by the spring of 1954, the decline in production had abated and the economy stabilized. The combined output of manufacturing and mining industries traced an even course between March and August. The gross national product, which expresses the dollar value of the Nation's total output of goods and services, was virtually the same for the second and third quarters of the year as for the first. Employment in nonagricultural establishments continued to fall; but *the rate of decline in employment diminished appreciably and the average* length of the workweek in manufacturing actually increased somewhat. The flow of total personal income, as well as of labor income, reached a low point in April and then began to rise gradually.

Meanwhile, investment preparations, especially of home builders, proceeded on an expanding scale. Businessmen also continued their efforts to win better control over inventories. These efforts met with success. Around the turn of the year, the ratio of inventories to sales had ceased rising in most lines of industry. The ratio for manufacturing as a whole, which was 1.95 in January 1954, fell to 1.88 in May and to 1.85 in September. For retailers the ratio moved from 1.66 in January to 1.62 in May and 1.58 in September. These readjustments were largest in the case of durable goods, which had felt the impact of contraction most keenly. With inventories under better control, the gap between the orders received by manufacturers and their current sales became progressively narrower, while commodity prices at wholesale and retail changed very little on the average. Wage rates continued to move upward, but most adjustments were of moderate proportions and some decreases occurred. In these circumstances the retirement of marginal units of equipment, reductions of overtime work, and other economies resulted in lower unit costs for many businesses. By the late summer of 1954, a broad foundation had thus been laid for industrial recovery.

The transition from contraction to recovery is an intricate economic process, worked out over time, whose character is never disclosed by over-all measures of economic activity. The virtual stability of the gross national product over a good part of the past year concealed the fact that, after the turn of the year, the number of declining industries in the area of manufacturing progressively diminished. It also concealed the vital transformation that was taking place in the Nation's stream of expenditure. Between the first and third quarters of 1954, total Federal spending on goods and services declined at an annual rate of 7 billion dollars. Meanwhile, other

major categories of expenditure—that is, consumer spending, private domestic investment, foreign investment, and State and local expenditures—increased, in the aggregate, at approximately this rate. Not only that, but each of these four broad classes of expenditure expanded. Thus, while the gross national product stood still, the civilian part of the economy kept moving forward, enlarging its outlays, taking up the slack caused by the continued decline of Federal spending. This adaptive power of the economy during a difficult period of readjustment from war to peace supported and strengthened a widespread feeling of confidence.

By the early autumn of 1954, the forces of recovery had gathered sufficient strength to lift total production and employment, despite a continued drop of Federal spending. Total industrial production began rising gently in September, then gained momentum as the virtual shutdown of automobile plants for model change-overs ended. Employment in nondurable goods manufactures reached a trough in July, in durable goods manufactures in August, in nonagricultural establishments as a whole in the same month. In early October unemployment fell below the 3 million mark for the first time in 1954. By November economic improvement had again pushed the average length of the workweek in manufacturing above 40 hours. The recovery was largest in the steel, automobile, household appliance, and textile industries. It was felt also in coal mining, railroad freight movements, and a host of other activities. In the meantime, the construction industry, which had stubbornly defied the recession, continued to advance. The flow of personal incomes, reflecting all these improvements, expanded at a more rapid rate. Weekly earnings in manufacturing reached a new record. Bank loans increased again and interest rates stopped declining. Commodity markets generally kept steady, but rising demand for industrial raw materials pushed up their prices. Some tendency to lengthen inventory commitments developed, and the flow of orders to manufacturers again exceeded their sales. When the year ended, the traces of contraction had not yet been erased, but a general economic recovery was in process.

## III. Why the Contraction Proved Mild

The course of the recent contraction raises important questions for all students of public affairs, namely: Why did the economic setback of 1953–54 prove so mild on an over-all basis? Why did our total national output of goods and services decline no more than 4 percent? Why did not the decline turn into the cumulative, spiraling depression that many feared and some expected? Why, to put a still more exacting question, did the gross national product decline from an annual rate of about 370 billion dollars in the second quarter of 1953 to 356 billion in the third quarter of 1954, or by 14 billion dollars in all, when the primary contracting factors—inventory spending and Federal spending—declined between them as much as 24 billion dollars?

These are difficult questions and they will doubtless engage the attention of scientific investigators for a long time to come. Nevertheless, some of the factors that contributed to the result are clear even today. Consumers not only maintained their spending at a consistently high level, but reduced their rate of saving during 1954. Businessmen kept up their capital expenditures at a high rate, increased the flow of dividends to stockholders, and intensified their selling efforts. Builders and real estate developers stepped up their operations. Trade unions conducted their affairs with an eye to basic conditions and with a sense of responsibility. Farmers and their organizations recognized the danger of piling up ever larger surpluses. Commercial banks and other financial institutions made ample supplies of credit available on liberal terms. States and localities carried out large and expanding programs of school, hospital, and road construction. And the continuing recovery of Western Europe helped to augment our exports and to bolster the prices of internationally traded raw materials.

Clearly, many people had a part in stemming the economic decline and easing the readjustment from war to peace. The Federal Government also contributed significantly to the process of recovery. It influenced the economy in two principal ways, first, through the automatic workings of the fiscal system, second, by deliberately pursuing monetary, tax, and expenditure policies that inspired widespread confidence on the part of people and thus helped them to act in ways that were economically constructive.

## IV. Role of Federal Government

It is well to recall that we have developed in our country a fiscal system that tends to cushion or offset a decline in private income. When employment and income decline, tax receipts decrease and certain expenditures, such as unemployment insurance payments, automatically increase. These offsets cannot be counted on to prevent a depression, but they can be of very material assistance, as recent experience indicates.

Between July 1953 and July 1954 total personal income derived from production decreased at an annual rate of 4.4 billion dollars. In the meantime, unemployment insurance and other social security payments to the public increased at a rate of 2.2 billion dollars, while tax payments by the public—quite apart from the change in rates that became effective in January 1954—fell at the rate of another billion. These two factors alone served, in very large part, to offset the over-all decline of personal income from production, and their effects were augmented by the operations of the farm price-support system.

The experience of corporations was similar to that of individuals. While corporate income decreased at an annual rate of 7.4 billion dollars between the second quarter of 1953 and the second quarter of 1954, the tax liability of corporations was cut by 4.5 billion dollars merely as a result of the decline in income and quite apart from any change in the tax law.

Once again, therefore, our taxing machinery automatically cushioned the impact of a declining income on the sums available to corporations for paying dividends or adding to their assets.

The Government was not content, however, to play merely a passive role in the economy. On the contrary, definite and deliberate steps were taken to promote a stable prosperity. One of the earliest acts of the new Administration, after taking office in January 1953, was to remove price and wage controls, in order to restore the functions of competitive markets. With a boom psychology existing at the time and unemployment at a [illegible] the danger of inducing fresh inflation [illegible]

tion in the quality of new credits, such as had often characterized the closing stages of economic booms in our history.

By May of 1953 it became clear that a policy of credit restraint had already accomplished this purpose, and that its further continuance might incite an anxious scramble for cash. The Federal Reserve authorities therefore proceeded promptly to ease credit conditions, first, by expanding the reserves of commercial banks, second, by reducing the reserves that the banks were required to hold against their deposits. In line with these actions, the Treasury arranged its financing so as not to compete with mortgages and other long-term issues. These steps were initiated before the peak of business activity had been definitely passed.

Later, in September 1953, when it was not yet generally appreciated that an economic decline had already begun and that the curtailment of defense spending might carry it further, the Secretary of the Treasury announced that the Administration, besides relinquishing the excess-profits tax, would not seek to postpone the reduction of the personal income tax, scheduled for January 1, 1954. The cuts served to reduce taxes during the next six months by 1.1 billion dollars, and it has been estimated that they will reduce taxes from July 1954 to June 1955 by 4.7 billion dollars. Although the tax reductions were partly offset by increases in social security contributions that also became effective in January 1954, the net effect was to increase substantially the money available to people for spending or investing.

In January 1954 the Economic Report of the President developed a comprehensive program to stimulate competitive enterprise, to strengthen the floor of security for the individual, and to curb tendencies toward either depression or inflation. The program called for structural tax changes to encourage economic growth, in particular, for more liberal treatment of depreciation allowances, for treating research and development outlays as a current expense, for reducing the double taxation of dividends, and for lengthening the period over which business losses could be carried back in reckoning the income tax. The program called also for tax adjustments to ease personal hardships, an enlargement of the credit facilities for housing, the speeding of slum clearance, extension of the protective scope of old-age and unemployment insurance, improvement of the highway system,

systematic planning of public works, a realistic agricultural policy, and an extension of the President's authority to control the terms on which the Federal Government would underwrite housing loans and mortgages. The announcement in January of these legislative proposals, nearly all of which were subsequently enacted by the Congress, helped to inspire confidence in the economic policies of Government.

In later months, additional steps were taken by the Government to stimulate the economy. Federal Reserve banks lowered their rediscount rates. The reserves that member banks are required to hold in support of their deposits were reduced once again. Excise taxes were cut, carrying a revenue loss of about 1 billion dollars in the fiscal year 1955, in addition to the loss of 1.4 billion dollars as a result of enacting structural tax changes. Some of our hard-pressed industries were aided—notably shipbuilding through a new construction program, and zinc and lead mining as a result of a revised stockpiling program. The Executive Branch attended to its housekeeping duties by expediting actions that involved the private economy, as in the case of refunds of overpaid taxes, and by announcing promptly its own commitments, as in the case of grants to the States for road building. The Government also attempted to assist localities suffering from unemployment by channeling contracts to them as far as feasible, by boosting the allowable rate of accelerated amortization on facilities needed for the mobilization base, and by expanding the activities of the Area Development Division of the Department of Commerce.

## V. Effects of Governmental Policies

This, in broad outline, is the record of recent actions of the Federal Government to stimulate the economy. What gave them a special character was their promptness and the heavy reliance on monetary policies and tax reductions. The shift from credit restraint to credit ease before an economic decline had begun, the announcement of sizable tax reductions before it was generally appreciated that an economic decline was actually under way, the submission to the Congress of a comprehensive program for encouraging the growth of the economy through private enterprise—these early measures to build confidence were by far the most important. For they strengthened confidence when it was most needed, and thereby rendered unnecessary any later resort to drastic governmental programs in an atmosphere of emergency.

The basic policy of the Government in dealing with the contraction was to stimulate business firms, consumers, and States and localities to increase their expenditures, rather than to expand existing Federal enterprises or initiate new spending programs. The success of this policy is evident in the present recovery. It is evident also in some of the unusual, and at first blush puzzling, characteristics of the recent contraction—the steady increase of disposable personal income, the almost uninterrupted rise of consumer spending, the expansion of State and local improvements, the

systematic planning of public works, a realistic agricultural policy, and an extension of the President's authority to control the terms on which the Federal Government would underwrite housing loans and mortgages. The announcement in January of these legislative proposals, nearly all of which were subsequently enacted by the Congress, helped to inspire confidence in the economic policies of Government.

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veloping in recent years, and the strength exhibited by our economy last year has reinforced this trend.

A large and increasing number of business managements have become *accustomed to thinking in ambitious, long-range terms. Expecting our* economy to grow and prosper, they do not permit minor variations in sales *to divert them from the objective of strengthening, or at least maintaining,* their competitive position five or ten years later. Hence they boldly allot large sums to research, plan capital expenditures well beyond immediate needs, launch extensive investment projects, and even judge one another by these yardsticks no less than by profit-and-loss statements.

The economic horizons of consumers are also widening. One of the marvels of our generation has been the growth of consumer capital—modern homes, automobiles, radios, television sets, washing machines, air conditioning units, electric dryers, food freezers, and so on in an ever longer list. Perhaps at no time in the past has the desire for material improvement played so large a role in the economy as it does today. Consumers continue to visit bargain basements but their preferences run strongly toward the latest contrivances, newest conveniences, and premium grades. And if people are no longer timid about borrowing to expand their current spending, they are also willing to work hard to acquire the incomes needed to *live as they feel they should.*

TABLE 4.—*Output of some rapidly growing consumer commodities and services*

| Commodity or service | Unit | 1940 | 1948 | 1953 | 1954 [1] |
|---|---|---|---|---|---|
| COMMODITY | | | | | |
| A [illegible] | [illegible] | (2) | 73 | 1,045 | 1,230 |
| A [illegible] | [illegible] | (2) | 243 | 1,630 | 1,780 |
| [illegible] | [illegible] | (2) | 675 | 948 | 1,050 |
| [illegible] | [illegible] | 58 | 92 | 737 | 890 |
| [illegible] | [illegible] | (2) | 690 | 1,090 | 975 |
| [illegible] | [illegible] | 431 | 1,163 | 3,500 | 3,500 |
| [illegible] | [illegible] | 123 | 379 | 925 | 1,110 |
| [illegible] | [illegible] | 264 | 420 | 652 | 800 |
| [illegible] | [illegible] | 320 | 908 | 1,292 | 1,320 |
| [illegible] | [illegible] | 900 | 1,650 | 3,500 | 3,950 |
| [illegible] | [illegible] | 30 | 650 | 2,134 | 2,350 |
| [illegible] | [illegible] | 5 | 75 | 301 | 320 |
| [illegible] | [illegible] | (2) | 960 | 7,215 | 7,400 |
| [illegible] | [illegible] | (2) | 175 | 325 | 360 |
| [illegible] | [illegible] | 678 | 2,540 | 3,002 | 3,075 |
| SERVICE | | | | | |
| Cleaning and dyeing | Index, 1940=100 | 100 | 302 | 359 | 357 |
| Repairs, household durables | Index, 1940=100 | 100 | 326 | 912 | 1,170 |
| Revenue passenger miles flown | Billions | 1 | 6 | 16 | 17 |

[1] Preliminary.
[2] Production was relatively small.

Source: Department of Commerce, based on data from various private and Government sources.

to match mass production, [illegible]
course between the political extremes, both material and psychological



325643—55——3

and the money supply increased further—especially in the second half of the year. Had it not been for the increased availability of credit and the easing of terms, the fast pace of residential, commercial, and State and local construction which did so much to stabilize the economy during the past

markets or general economic activity.

It is well to recognize, however, that the reasons for the success of recent policies are not to be found in them alone. Tax reductions, however attractive they may seem when the economy is declining, will not necessarily lead to an increase of spending or investing. Easier credit conditions, larger bank reserves, even a larger money supply will not necessarily put new money to work in industry. Management of the public debt so as to avoid competition with mortgages and other capital issues will not necessarily increase private capital formation. If such policies are to be of material help in stemming a contraction, there must be a pervasive feeling of confidence on the part of people. The effectiveness of a particular policy, whatever be its sphere or expression, is conditioned by the mood of the time, and this is bound to reflect people's attitudes toward governmental policies at large. It is not merely the intrinsic merit of the individual policies that were pursued, but also the fact that each was part of a cohesive program for strengthening the confidence of people in their own and their country's economic future, that accounts for our recent success in curbing economic contraction.

## VI. Lessons From Experience and Guides to the Future

In the course of our latest encounter with the business cycle we have learned or relearned several lessons. First, that wise and early action by Government can stave off serious difficulties later. Second, that contraction may be stopped in its tracks even when governmental expenditures and budget deficits are declining, provided effective means are taken for building confidence. Third, that monetary policy can be a powerful instrument of economic recovery, so long as the confidence of consumers and businessmen in the future remains high. Fourth, that automatic stabilizers, such as unemployment insurance and a tax system that is elastic with respect to the national income, can be of material aid in moderating cyclical fluctuations. Fifth, that a minor contraction in this country need not produce a severe depression abroad. Sixth, that an expanding world economy can facilitate our own readjustments. These teachings of experience should serve us well in the years ahead, though we must always be alert to the special needs of every new situation.

As our minds turn from the past to the future, the basic fact to keep before us is that, while the groundwork for the recent recovery was laid by the Government, the recovery itself was brought about by the American people. A mood of confidence about the economic future has been gradually de-

events should not bear out current expectations. Over coming weeks or months we should, however, be careful not to confuse seasonal fluctuations in employment or special fluctuations of individual industries or markets with over-all economic trends. It will prove helpful to keep in mind that a business recovery never retraces the precise path of the preceding contraction, and that this divergence is apt to be sharpest in postwar movements. The prosperity that some industries and localities attained during the Korean conflict, and which they have now lost, will not be regained quickly in all instances. Here and there the process of readjusting to reduced markets may be prolonged, although it will be greatly eased as general economic expansion continues.

We must also remember that, just as economic expansion resolves old problems, so it often brings new ones in its train. History tells us that industrial disputes have usually been more frequent in periods of expansion than in periods of contraction, and that industrial disputes sometimes have serious economic repercussions. History also warns us that activities which involve the discounting of a long future, as in the case of home purchases or the pricing of corporate shares, may be carried to excess in the course of a business expansion. Fortunately, when speculative trends develop, they usually become self-corrective before they become excessive. It is highly desirable that corrective movements, testing the soundness of various parts of the economy, be scattered over a period of time rather than culminate at the same time. As the recent increase of stock margin requirements by the Federal Reserve Board has demonstrated, the Government is mindful of its great responsibility to help assure balanced economic growth. It is essential to keep a close watch on financial developments. Continued economic recovery must not be jeopardized by overemphasis of speculative activity.

factors are peculiarly favorable to economic progress. Hence, the [illegible] recovery now under way is powerfully supported by underlying [illegible] economic growth. While only of very recent date, the recovery is wide [illegible] spread and has already made up half of the decline that had [illegible] industrial production. The rate of inventory liquidation has sharply [illegible] and we are soon likely to experience some rebuilding of inventories. [illegible] projected decline of Federal spending is less than in the past two [illegible] State and local expenditure will probably continue to expand and [illegible] than offset any further decline that may occur in Federal [illegible]. The recent increase of housing starts and the rush of applications to [illegible] agencies for mortgage insurance or guarantees promise that home b[illegible] will continue to mount for some time. The recent high level of [illegible] building contracts is practically sure to mean a high level of expenditure in this type [illegible] over coming months. The prospects for plant and equipme[illegible] chinery, [illegible] likely to accompany continued recovery, give a basis for expecting [illegible] *broad category of expenditure will soon join, though perhaps only modest[illegible]* at the start, the general economic advance. In view of the resurgence of [illegible] economy of Western Europe and the reduction of restrictions against dollar trade, it seems likely that our exports will continue to increase. The spirited behavior of retail sales in recent months has borne out earlier surveys of consumer attitudes. Further expansion of consumer spending may be expected as economic recovery cumulates.

Beyond these indications of immediate or short-run prospects is the fact that new firms are being established at an increasing rate, and that the offices of architects are reported to be bursting with plans for new homes, schools, and all sorts of commercial and industrial projects. Still further in the future, but already a factor in business thinking, is a new national highway system, which will create great economic opportunity in many directions, and of which something will be said later in this Report.

In the course of the current year, the economic situation may therefore be expected to continue to improve. The gross national product increased from an annual rate of about 355 billion dollars in the third quarter of 1954 to about 360 billion dollars in the fourth quarter. With economic activity continuing to expand, it is reasonable to expect that the Nation's output within the coming year will approximate the goals of "maximum employment, production, and purchasing power" envisaged by the Employment Act. At this juncture of our economic life, when confidence is running especially high, it is well, however, to keep in mind the sobering fact that there is no way of lifting more than a corner of the veil that separates the present from the future. How long the current phase of expansion will continue before new international trouble or a cyclical reversal of business occurs, or how far the expansion will carry, it is impossible to say with great assurance. The uncertainty of economic predictions requires that the Federal Government be prepared to adjust its policies promptly if economic

CHART 7

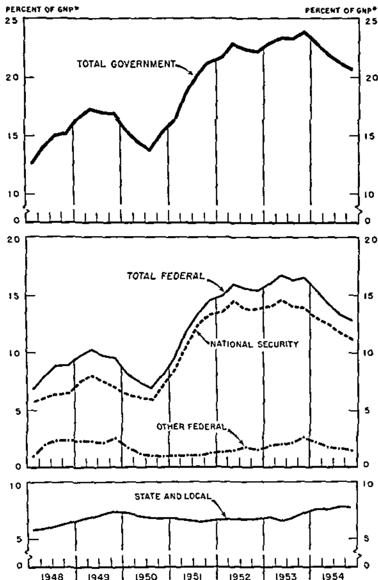

GOVERNMENT PURCHASES OF GOODS AND SERVICES
PERCENT OF GROSS NATIONAL PRODUCT
PERCENT OF GNP*
PERCENT OF GNP*
25
20
15
10
0
TOTAL GOVERNMENT
20
15
10
5
0
TOTAL FEDERAL
NATIONAL SECURITY
OTHER FEDERAL
10
5
0
STATE AND LOCAL
1948
1949
1950
1951
1952
1953
1954
*BASED ON SEASONALLY ADJUSTED DATA
SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS

CHART 5

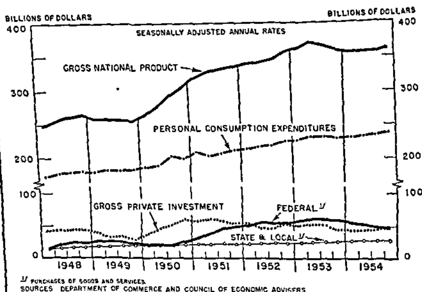



CHART 6

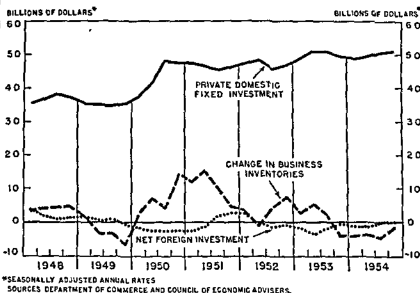
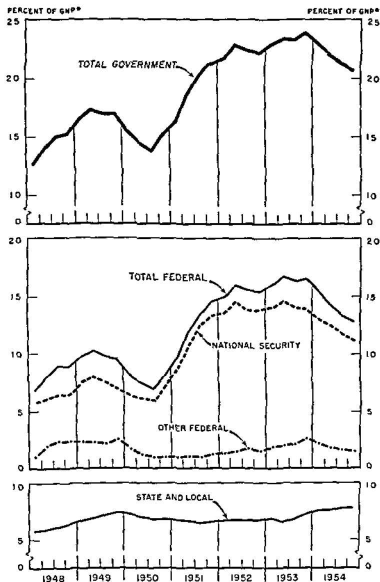


CHART 7



GOVERNMENT PURCHASES OF GOODS AND SERVICES
PERCENT OF GROSS NATIONAL PRODUCT
PERCENT OF GNP*
PERCENT OF GNP*
25
20
15
10
0
TOTAL GOVERNMENT
20
15
10
5
0
TOTAL FEDERAL
NATIONAL SECURITY
OTHER FEDERAL
10
5
0
STATE AND LOCAL
1948
1949
1950
1951
1952
1953
1954
*BASED ON SEASONALLY ADJUSTED DATA
SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS

CHART 8

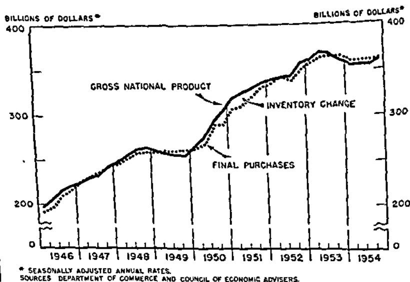



CHART 9

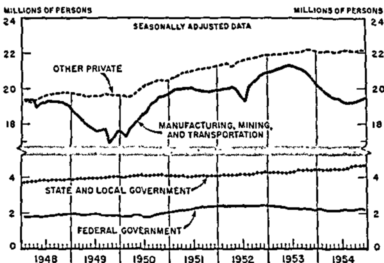
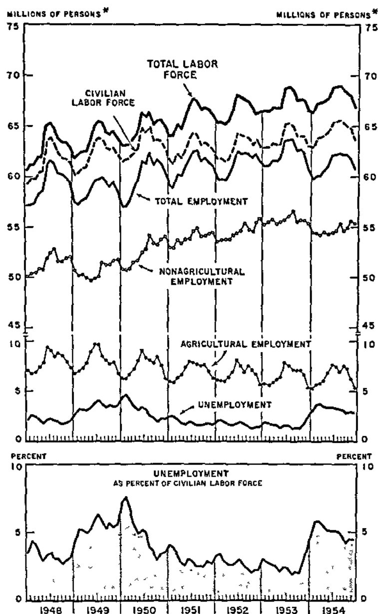


CHART 10




* 14 YEARS OF AGE AND OVER.
SOURCE: DEPARTMENT OF COMMERCE.

CHART 11

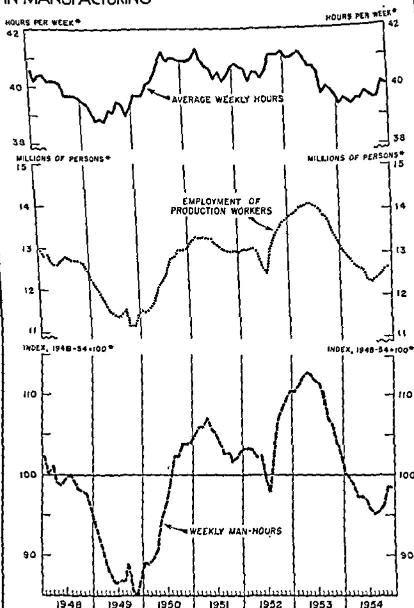
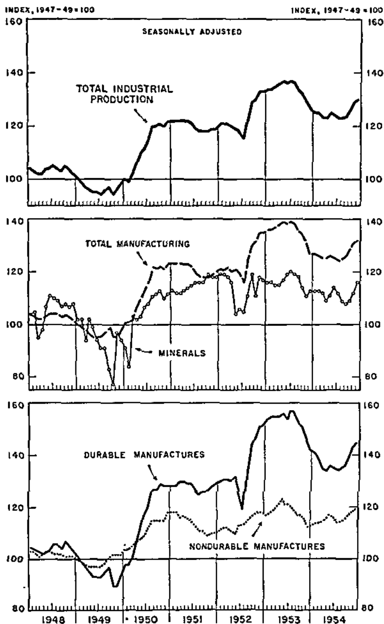

HOURS AND EMPLOYMENT
IN MANUFACTURING
HOURS PER WEEK*
HOURS PER WEEK*
42
40
38
AVERAGE WEEKLY HOURS
MILLIONS OF PERSONS*
MILLIONS OF PERSONS*
15
14
13
12
11
EMPLOYMENT OF
PRODUCTION WORKERS
INDEX, 1948-54=100*
INDEX, 1948-54=100*
110
100
90
WEEKLY MAN-HOURS
1948
1949
1950
1951
1952
1953
1954
*SEASONALLY ADJUSTED DATA
SOURCES: DEPARTMENT OF LABOR AND
NATIONAL BUREAU OF ECONOMIC RESEARCH

CHART 12



INDUSTRIAL PRODUCTION
INDEX, 1947-49=100
INDEX, 1947-49=100
SEASONALLY ADJUSTED
TOTAL INDUSTRIAL PRODUCTION
TOTAL MANUFACTURING
MINERALS
DURABLE MANUFACTURES
NONDURABLE MANUFACTURES
160
140
120
100
80
1948
1949
1950
1951
1952
1953
1954
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

CHART 13

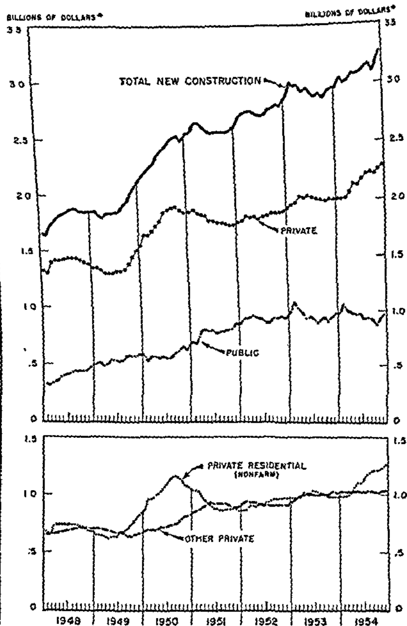
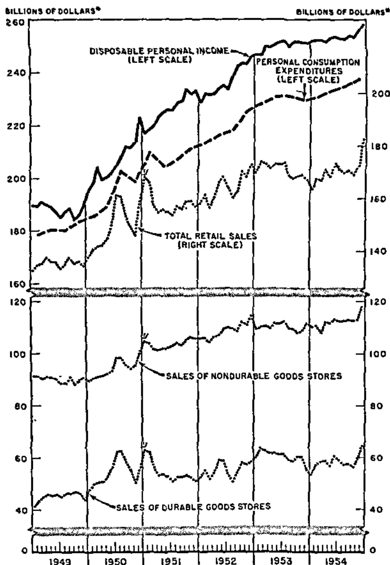

CONSTRUCTION EXPENDITURES
BILLIONS OF DOLLARS*
BILLIONS OF DOLLARS*
3.5
3.0
2.5
2.0
1.5
1.0
.5
0
TOTAL NEW CONSTRUCTION
PRIVATE
PUBLIC
1.5
1.0
.5
0
PRIVATE RESIDENTIAL (NONFARM)
OTHER PRIVATE
1948
1949
1950
1951
1952
1953
1954
*SEASONALLY ADJUSTED.
SOURCES. DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR.

CHART 14




* SEASONALLY ADJUSTED ANNUAL RATES.

1/ NEW SERIES LINKED TO OLD SERIES.

SOURCES. DEPARTMENT OF COMMERCE, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND COUNCIL OF ECONOMIC ADVISERS

CHART 15

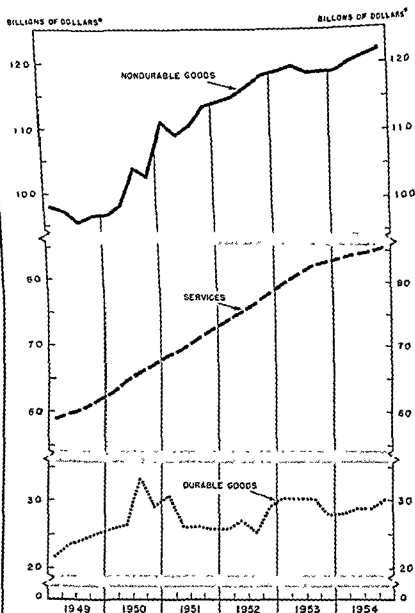
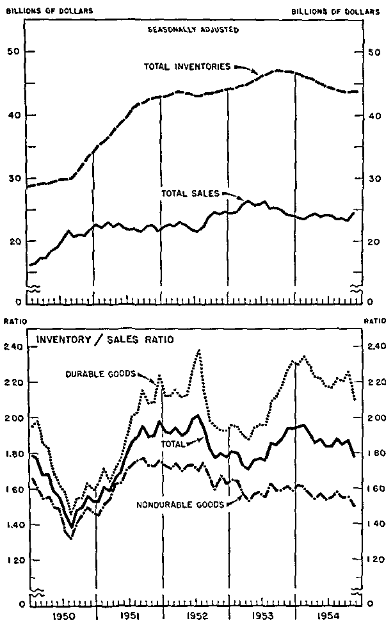
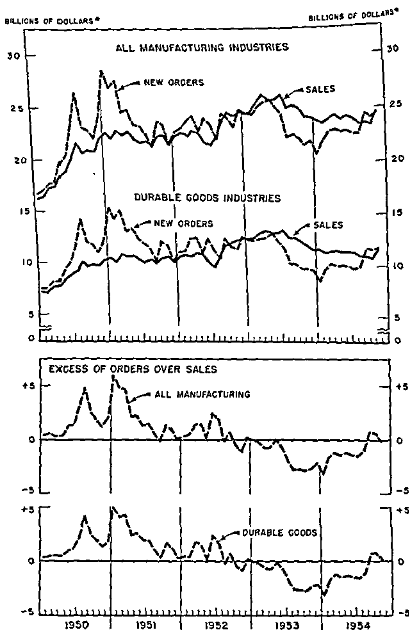

CONSUMER EXPENDITURES
BILLIONS OF DOLLARS*
BILLONS OF DOLLARS*
120
110
100
80
70
60
30
20
0
NONDURABLE GOODS
SERVICES
DURABLE GOODS
1949
1950
1951
1952
1953
1954
*SEASONALLY ADJUSTED ANNUAL RATES.
SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS.

CHART 16



MANUFACTURERS' INVENTORIES AND SALES
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
SEASONALLY ADJUSTED
50
40
30
20
0
TOTAL INVENTORIES
TOTAL SALES
RATIO
RATIO
INVENTORY / SALES RATIO
2.40
2.20
2.00
1.80
1.60
1.40
1.20
0
DURABLE GOODS
TOTAL
NONDURABLE GOODS
1950
1951
1952
1953
1954
SOURCE DEPARTMENT OF COMMERCE

CHART 17




* SEASONALLY ADJUSTED.

SOURCE: DEPARTMENT OF COMMERCE.

CHART 18

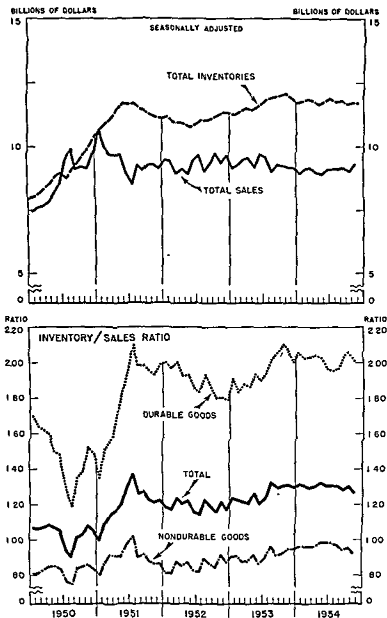
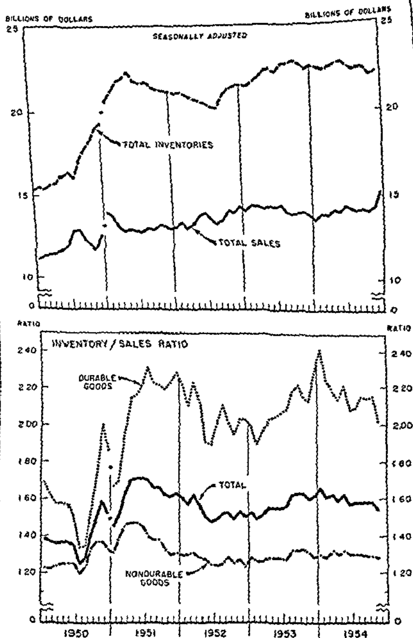
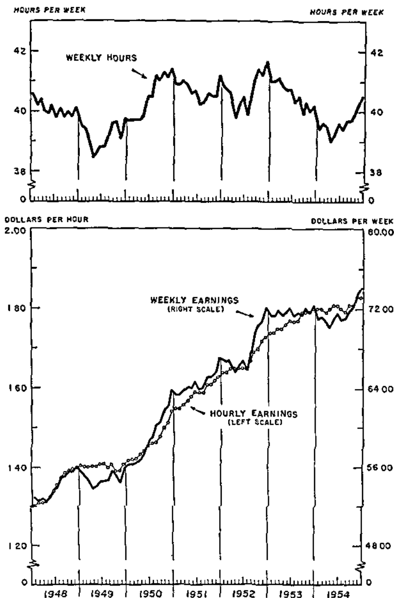

WHOLESALE INVENTORIES AND SALES
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
SEASONALLY ADJUSTED
TOTAL INVENTORIES
TOTAL SALES
15
10
5
0
RATIO
RATIO
INVENTORY/SALES RATIO
DURABLE GOODS
TOTAL
NONDURABLE GOODS
2.20
2.00
1.80
1.60
1.40
1.20
1.00
.80
0
1950
1951
1952
1953
1954
SOURCE: DEPARTMENT OF COMMERCE

CHART 19



RETAIL INVENTORIES AND SALES
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
SEASONALLY ADJUSTED
25
20
15
10
0
TOTAL INVENTORIES
TOTAL SALES
RATIO
RATIO
INVENTORY / SALES RATIO
DURABLE GOODS
TOTAL
NONDURABLE GOODS
2.40
2.20
2.00
1.80
1.60
1.40
1.20
0
1950
1951
1952
1953
1954
* DATA BEGINNING JANUARY 1951 NOT COMPARABLE WITH DATA FOR EARLIER PERIODS
SOURCE: DEPARTMENT OF COMMERCE

CHART 20




NOTE DATA RELATE ONLY TO PRODUCTION AND RELATED WORKERS.
SOURCE DEPARTMENT OF LABOR



825643—55——4

CHART 21

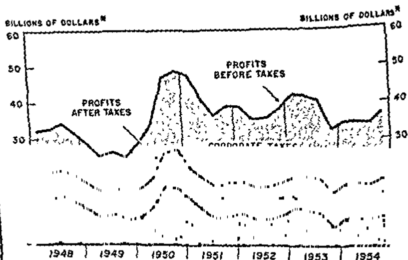



CHART 22

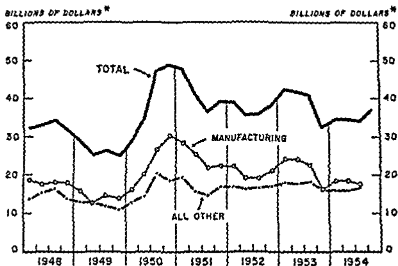


CHART 23

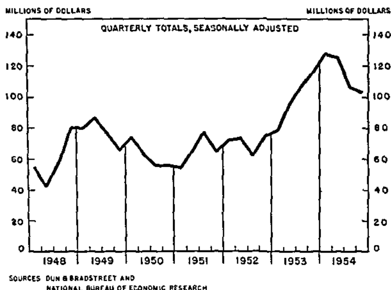



CHART 24

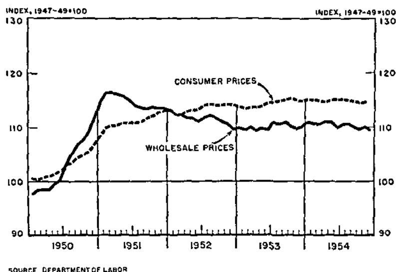


CHART 25

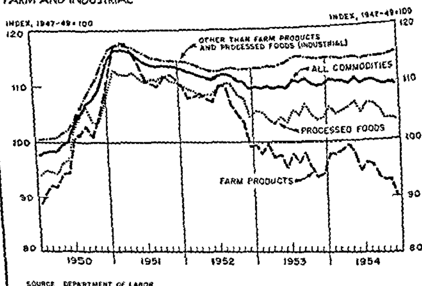



CHART 26

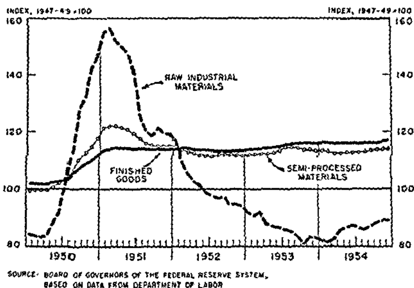


CHART 27

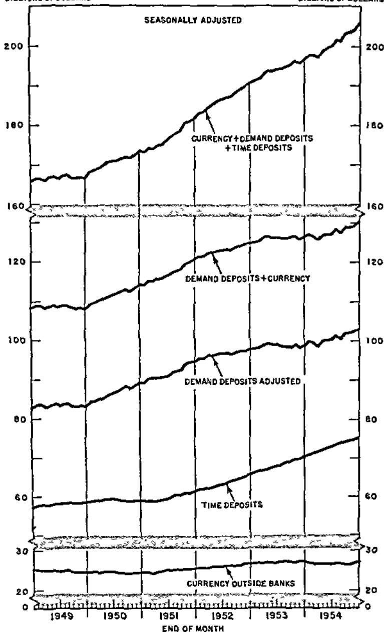

MONEY SUPPLY
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
SEASONALLY ADJUSTED
200
180
160
120
100
80
60
30
20
0
CURRENCY + DEMAND DEPOSITS + TIME DEPOSITS
DEMAND DEPOSITS + CURRENCY
DEMAND DEPOSITS ADJUSTED
TIME DEPOSITS
CURRENCY OUTSIDE BANKS
1949
1950
1951
1952
1953
1954
END OF MONTH
SOURCES: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, NATIONAL BUREAU OF ECONOMIC RESEARCH, AND COUNCIL OF ECONOMIC ADVISERS.

CHART 28

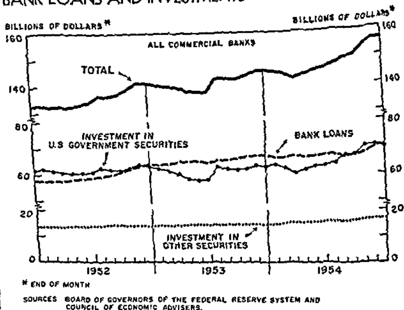



CHART 29

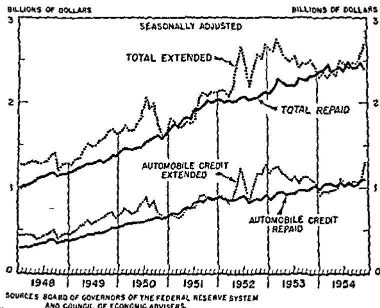


CHART 30

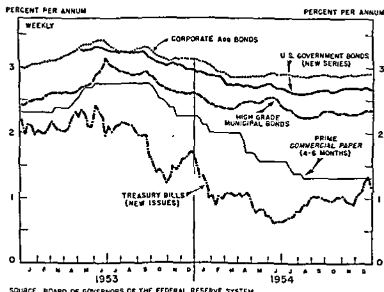



CHART 31

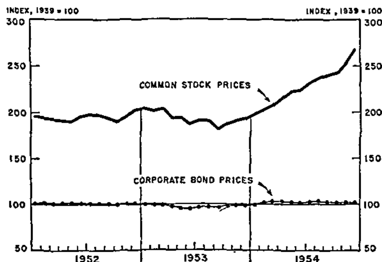
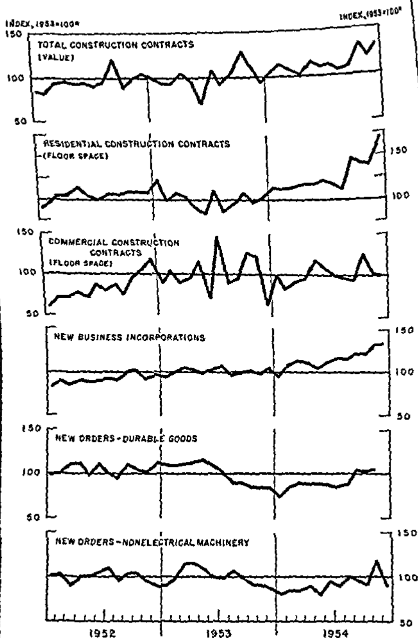


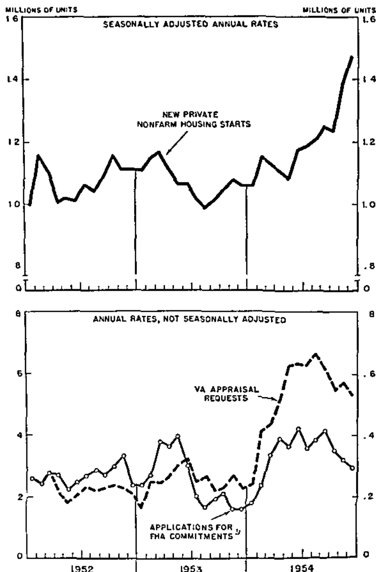
CHART 32




*SEASONALLY ADJUSTED.

SOURCES. F.W. DODGE, DUN & BRADSTREET, DEPARTMENT OF COMMERCE, MC GRAW-HILL, AND NATIONAL BUREAU OF ECONOMIC RESEARCH.

CHART 33




[1] UNITS IN MORTGAGE APPLICATIONS FOR NEW HOME CONSTRUCTION

SOURCES: DEPARTMENT OF LABOR, FEDERAL HOUSING ADMINISTRATION (FHA), AND VETERANS ADMINISTRATION (VA).

## Chapter 3

# Program for Sustained Economic Progress

AS THE PRECEDING CHAPTER of this Report has made clear, the mild recession of last year was arrested and a new phase of economic expansion got under way before the year closed. The vigor of the recent recovery, taken in conjunction with the investment and expenditure plans already set in motion, suggests that economic expansion will continue during coming months. It holds out the promise that we shall achieve a high and satisfactory level of employment and production within the current year. Of course, this outcome of current tendencies is not—and cannot be—assured, and the Government must remain ready to deal with any setback that might develop. In view, however, of the likelihood that our economy is now undergoing a cumulative expansion of some strength, the wise course for Government would be to concentrate this year on basic policies for fostering long-term economic growth. We should direct our program for 1955 principally to this purpose, rather than seek to impart an immediate upward thrust to general economic activity.

The release of the Nation's powers of growth can be aided by legislation that will encourage competitive enterprise, strengthen our economic ties with other countries, reinforce personal security, and provide needed public improvements. Such a program for long-term growth is presented in this chapter. As we proceed we must, however, keep in mind the historical fact that growth has generally been attained by spurts of activity, followed by pauses or setbacks. Actions to build confidence always carry the risk of generating overconfidence and subsequent reaction. Our economic policies must therefore be designed not merely to foster growth, but to foster a rate of growth that can be sustained. The program of actions recommended in this Report will advance us toward this goal.

### I. Promoting the Spirit of Enterprise

*Fiscal Policies for Economic Expansion*

In accordance with the responsibilities of the Federal Government under the Employment Act "to use all practicable means . . . to promote maximum employment, production, and purchasing power," Federal expenditure and tax policies should be shaped to serve the needs of an expanding economy.

Budget policies can help to promote the objective of maximum production by wisely allocating resources, first, between private and public uses, second, among various governmental programs. A careful budgeting of public

funds is an indispensable safeguard against undue extravagance or excessive parsimony on the part of the Government. The budget should impose a strict discipline upon all public expenditures. At the same time, it should provide adequately for the Nation's defense and other urgent needs. It must also be used to promote stable economic growth. Properly coordinated with other measures, a reduction of expenditure or increase in taxes can restrain inflationary tendencies, just as a reduction of taxes or increase in expenditure can at times be an effective check on recessionary forces. There will, therefore, be occasions when the Government's accounts are out of balance in one direction or the other.

During the past two years, Federal expenditures were sharply reduced and, although taxes were also cut, substantial progress was made toward bringing the budget close to balance on a cash basis. The cuts in expenditures that followed the ending of the Korean conflict released resources for use by the private sector of the economy. Tax reductions spurred their reabsorption by strengthening private demand for goods and services during this period of readjustment. Last year's tax reductions amounted to a total of 7.4 billion dollars on a full-year basis; this was offset by a 1.3 billion dollar increase in social security contributions, making a net saving of 6.1 billion dollars. This lowering of taxes and the recently enacted reforms in the tax structure, by reducing barriers to economic growth, are strengthening the expansionary forces of the economy.

Since our economy is currently operating at rather high levels and a recovery from the mild decline of last year is well under way, we should strive this year to bring Federal cash receipts and cash expenditures into balance. With huge expenditures for our national security continuing, the financial requirements of the Government will not permit reductions this year from present tax rates. Prudence requires that the lowering of the corporate income tax and of excises, scheduled for April 1, 1955, be postponed.

It should, nevertheless, be recognized that present taxes are still a heavy burden. Lower taxes would tend to encourage work, promote more efficient business practices, and create more jobs through new investments. Fortunately, with our economy continuing to expand, we can look forward to larger Federal revenues from existing tax rates. This, together with further economies in expenditure, should make possible next year another step in the reduction of taxes. Congress might then consider enacting a general, though modest, reduction in taxes and, at the same time, continue the program which was begun last year of reducing barriers to the free flow of funds into risk-taking and job-creating investments.

While no changes in taxation are now recommended, except on business income from foreign sources which will be discussed later, there is a need for greater flexibility in the management of Federal finances, and this requires an increase in the present statutory debt limit. During the past two years, the Treasury has been obliged to manage the Government's finances under the severe handicap of a debt limit which frequently was very little

higher than the outstanding debt. In August 1954, the Congress modified the 275 billion dollar debt limit by permitting a temporary increase of 6 billion dollars to cover seasonal needs. This increase will expire on June 30, when the outstanding debt is expected to be close to 275 billion dollars. Since the anticipated balance in the cash budget for the fiscal year 1956 will involve a deficit in the conventional budget of 2.4 billion dollars, it is clear that the debt limit will have to be raised. The increase should be large enough to provide the Treasury with the necessary latitude to do its job. It would be imprudent to set a new statutory debt limit which left virtually no margin for unpredictable fluctuations in Federal receipts and expenditures. A higher limit will in no way lessen the persistent efforts of the Administration to reduce expenditures further, but it will enable the Treasury to discharge its financial responsibilities more effectively.

*Assisting New and Small Businesses*

A public policy to encourage the expansion of a free economy must assign a high place to measures that keep the doors to opportunity open for new and small enterprises. Our economy is strong and progressive because it contains, in addition to its five million farm enterprises, four million independent centers of business decision—each potentially free to experiment with new ideas, new men, new methods, and new products. Many of the revisions which were made in the tax laws last year were intended to meet the special problems that confront smaller businesses in their attempts to finance expansion and preserve their independence. These revisions should help to create the kind of environment in which small business can flourish.

The Government has a responsibility to maintain easy entry into trade and industry, to check monopoly, and to preserve a competitive environment. All efficiently managed businesses benefit from such policies—new and small firms most of all. Recognizing this fact, the Attorney General appointed a National Committee to Study the Antitrust Laws, composed of distinguished citizens and legal experts, to recommend improvements in the substance and administration of our Federal laws to promote competition and prevent monopoly. Even prior to the submission of the report of this Committee, it would be well to strengthen the deterrent to violation of the Sherman Antitrust Act by raising substantially the maximum fine that may be imposed under the Act.

The Congress established in 1953 a program for helping business concerns of small size to obtain access to adequate financing, to a fair share of government procurement contracts, and to competent counsel on management, production, and marketing problems. This program has made a useful contribution to the strength of small concerns. It should, accordingly, be continued. Further, the lending authority for the program, which is now almost fully committed, should be enlarged so that loans may continue to be made to small concerns that cannot obtain adequate financing on reasonable terms.

*Improving the Basis of Technology*

Both the formation of new firms and innovations by existing firms are stimulated by research, development work, and experimentation. Out of these activities—carried on in the laboratories of universities, research institutes, governmental agencies, and business firms—come the products, methods, and materials which afford new entrepreneurial opportunities and help to improve the quality of living. Recognizing the fundamental importance of research and development work, the tax laws were revised last year to permit outlays for research to be treated as current expenses. It may be expected that private expenditures for research, which are already very large, will continue to grow. The Federal Government itself plans to spend more on scientific research and development during the coming fiscal year than at any time in the past.

Since technological progress depends on scientific inquiries and human inventiveness, rapid growth cannot be expected unless the knowledge and skills of our people are properly developed for these tasks. A shortage of scientifically trained young men and women, especially those competent in the physical sciences and in engineering, exists at present. Unless steps are taken to relieve this shortage, it may seriously limit the growth of research activities and retard their industrial applications. To deal with the problem, the Congress should expand Federal programs for fellowships, research, teacher training, and related activities.

In due course, additional measures must be taken. Some shortages of trained personnel will be remedied by the passage of time, but the national welfare requires special action to help relieve the classroom shortage that now exists in our schools and to help augment the supply of certain skills. Some recommendations bearing on schools, so vital to our country's future, appear on pages 63–65. This subject will be treated in a forthcoming special message to the Congress.

## II. Strengthening Economic Ties With Other Countries

The foreign economic policies of the United States can be a powerful instrument for strengthening the security of our Nation and the Free World. The nations of the Free World are economically interdependent, and no one of them can afford to act upon a narrow view of its own interests or with primary regard to the special interests of any particular industry or group. Now, more than ever, our own permanent interests of national security and the general welfare must take precedence over all other considerations.

It is to the advantage of each nation to attend to the barriers that have caused international trade and investment to lag behind the growth in production and incomes. Our own interest clearly calls for a policy that will in time extend into the international field those principles of competitive enterprise which have brought our people great prosperity with freedom. Against the Communist ideology of the omnipotent State, own-

ing all means of production and dominating all economic activity, the United States holds forth the ideals of personal freedom, private property, individual enterprise, and open markets. We should bear in mind that, in the long run, other countries are far more likely to rally to liberal ideals if we take the steps within our power to encourage them to join us in mutually beneficial economic intercourse. Hence, our trade and investment policies affect our ability to increase the solidarity of the Free World.

This broad vision, which pervaded the studies of the Commission on Foreign Economic Policy, now guides the recommendation to the Congress to act so as to clear the channels of trade, to foster foreign investment, and to provide technical aid to underdeveloped nations. Such actions will not only help to increase world production and trade; they also will help to assure a rising standard of living for our own people.

*Freeing the Channels of Trade*

The Free World has sought to reduce restrictions on trade through the General Agreement on Tariffs and Trade, currently being renegotiated by the governments adhering to it. Because this Agreement is one of the means by which the United States has sought to carry out the purposes of the Trade Agreements Act, the current negotiations are of great importance to us. When the new Agreement on Tariffs and Trade has been satisfactorily concluded, it will be submitted to the Congress for its approval.

It is of the utmost importance that we continue the gradual and selective revision of our tariffs through the tested method of international negotiation. A three-year extension of the Trade Agreements Act has therefore been recommended, with amendments to empower the President as follows: First, to reduce present tariff rates on individual commodities by as much as 5 percent per year in each of the three years of the new Act; second, to reduce tariff rates in greater degree in the case of products now imported in negligible volume; third, to reduce to 50 percent any rate in excess of that level. The present escape and peril point provisions of the Act should, however, be continued in order to avoid or mitigate any undue hardships that might develop under the operation of the proposed program.

Our customs procedures often impose unnecessary and unintended burdens on trade by causing disputes and delays. Progress has recently been made toward efficient customs administration, but good business practice requires that more be done. An interim report by the Tariff Commission on means of simplifying the commodity definitions and rate structures of present tariff laws is expected shortly and will deserve serious study. In addition, Congress should establish standards for the valuation of imported goods that are simple, clear, and logical in their application.

Finally, it is recommended that Congress increase the duty-free allowance of foreign goods brought home by our tourists during any six-month period. In addition to its economic effects, this encouragement to American tourism should pay large dividends in improved relations with other countries.

*Fostering Foreign Investment*

We can strengthen our own economy and that of the Free World by increasing the flow of capital to nations that are able to use it productively for their development. The expansion of foreign investment would speed the growth in foreign countries of industries whose output is needed to meet our own increasing requirements of raw materials and other products. By augmenting our exports, it would help to maintain prosperity at home. Above all, it would provide a convincing demonstration of our desire for economic partnership with countries seeking to improve their economies.

A great challenge of our time is to find constructive ways of aiding the economically underdeveloped countries in different parts of the world. The complexity of the task is suggested by the factors that are often present in these places—heavy concentration of people on limited land, meager educational facilities, great deficiencies of domestic capital, lack of management personnel, outmoded transportation systems, low output of electrical power, and inadequate public administration. Such countries can use assistance from us and from others, so that they may build a solid foundation for their social institutions and realize the opportunities open to free peoples. To an increasing degree our aid has taken the form of technical assistance, under which our technicians work with other peoples to help improve their production, their educational methods, and their health. Aid in the form of commodities and services is also being extended to those foreign countries whose economic strength cannot be built up rapidly enough, in view of the security requirements of the Free World, by the normal processes of trade and investment.

The program of technical and other assistance to economically underdeveloped countries should be strengthened. Even more important, in the long run, is an expanded flow of private international investment. We should encourage investment in all countries whose desire to speed their economic development has led them to create a hospitable climate for business investment. An inflow of private American capital can serve as a catalytic agent in many places—increasing production and incomes, permitting greater consumption and local saving, which in turn would expand local investment, and so on in a widening circle. Although the Export-Import Bank is expected to expand its lending program, the Federal Government can help also in other ways to raise the level of our foreign investment.

As recommended by the Commission on Foreign Economic Policy, the tax rate on corporate income from all foreign sources should be reduced by 14 percentage points, making it equal to the rate already applicable to Western Hemisphere trade corporations. Our law now requires that income from foreign sources be taxed in the United States to the extent that it is not taxed abroad. This has two consequences. First, American firms doing business in a foreign country with low tax rates operate under a tax disadvantage in comparison both with domestic firms of that country and with firms of other nations that levy low taxes on foreign income. Second,

countries desiring to attract American capital cannot very well use favorable tax rates as an incentive. Indeed, our present tax policy might even encourage a country in which American capital has [illegible] increase its taxes on [illegible] to further investment abroad; and it [illegible] foreign countries to use favorable tax rates as a means of attracting American capital.

American corporations with foreign branches should also be permitted to defer the tax on branch income until it is withdrawn from the country in which it was earned. This will end the present unreasonable discrimination between operations conducted through branches and those handled through foreign subsidiaries.

We should supplement these tax changes by continuing to explore with other countries the use of the tax treaty as a method of fostering a more favorable climate for international investment. Under proper safeguards, we should be prepared to give full credit for income taxes that are waived by a foreign country for a specified initial period, just as we now grant credit for taxes that are imposed. This change would give maximum effect to the laws of other countries designed to encourage new enterprise.

Another measure to spur foreign investment is to establish an International Finance Corporation as an affiliate of the International Bank for Reconstruction and Development. This Corporation would receive its capital from countries now participating in the IBRD. Unlike the IBRD, it would be permitted to invest, without any governmental guaranty, in new private enterprises needing capital. As now conceived, the Corporation would assume an interest in a new enterprise only to get it started, not for a long term of years. Nor would it participate in the management of the enterprises it helped to initiate. By providing on a business basis the margin of capital needed to attract other funds, the Corporation would help to expand private investment abroad. Its international character and prestige would probably aid local citizens in bringing about a favorable investment climate in their countries. In view of the great promise of the proposed Corporation, the Congress will be requested to authorize at the proper time a contribution by the United States to its capital.

Taken together, these proposals to augment the international movement of goods and investment funds will have a salutary influence on our economy. They will increase the efficiency of use of our own resources, they will diversify and enlarge the amount of goods and services available to American consumers, and they will expand foreign markets for our products.

### III. Building the Floor of Personal and Family Security

Significant steps were taken by the Government last year to help individuals and families make better provision for their security. The American

people should continue on this path, firm in the conviction that only when minimum human needs are provided in case of unemployment, disablement, or retirement, and the opportunity exists for a decent home in a sound neighborhood, will the individual make his greatest contribution to economic growth. Many of the measures to advance this objective, including those to improve the Nation's health, are being presented in detail in other messages. The following discussion is confined to the larger economic measures.

*Meeting the Hazard of Unemployment*

The Federal-State Unemployment Insurance System has proved its value as a first line of defense against economic recession. During the six months from April through September of 1954, benefit payments were 1.1 billion dollars, compared with 0.4 billion dollars in the corresponding months of 1953. These benefits, paid to workers as a matter of right under established law, enabled many families to live without exhausting their savings and helped make possible record-breaking consumer purchases, despite a fall in employment. Legislation passed in 1954 will greatly improve the workings of our unemployment insurance system in the future. Nevertheless, further revisions are desirable both to meet the needs of the economy and to meet the needs of the unemployed.

The coverage of the Federal unemployment insurance laws was extended last year to include Federal civilian employees and the employees of many small businesses. It is hoped that the States will soon act to include under the system the 4.4 million employees of State and local governments not now covered. Government ought not to deny its own employees the protection it requires the private employer to provide for his. In addition, the States that have not already done so should consider taking steps to extend unemployment insurance to those who work for firms employing fewer than four persons. These workers need protection against unemployment no less than the employees of larger firms.

From the standpoint of the unemployed worker, weekly benefits should be sufficiently high to provide the basic necessities. From the standpoint of the economy, benefits should be sufficient to enable the unemployed to maintain a substantial part of their customary expenditures, thereby minimizing the spread of unemployment. The general level of benefits is now too low for either of these purposes. Our Federal-State unemployment

cent in 1938 to 34 percent currently, and in several States below 30 percent. In many States a great majority of all beneficiaries receive the same weekly benefit—the maximum—regardless of the differences in their earnings. This loss of a clear relation between benefits and a worker's usual earnings or his customary living standard is inconsistent with the incentives of a free

economy. It is highly desirable that the States change their laws so that the great majority of covered workers will be eligible for payments that at least equal half their regular earnings.

The adequacy of unemployment insurance depends also on the period for which benefits are paid. *In the first eleven months* of 1953, the number of persons who exhausted their benefit rights reached 679,000. Last year the number jumped to *1,610,000 during* the corresponding months. In few States is the potential duration of benefits now as much as 26 weeks *for all beneficiaries. An increase in* the usual duration of benefits is especially necessary during economic recession, when the average duration of unemployment as well as its amount increases. For this reason, the States are urged to lengthen the term of benefits to 26 weeks for every person who qualifies for any benefit and who remains unemployed that long. It is recognized that an increase in the term and the level of benefits may call for a re-examination by the States, and in some instances a tightening, of the test of attachment to the labor force and of other legal or administrative safeguards against abuse.

The District of Columbia should have an unemployment insurance law

for the maximum period. This weakness should be remedied by providin 26 weeks of benefits for all persons who qualify and who remain unemployed that long. The disqualification provisions of last year's law shoul also be reviewed.

The Federal-State Employment Service has an important part to play in reducing unemployment. While the Employment Service cannot create jobs, it can help fill vacant jobs quickly and well. As recommended in the Budget Message, the system should be strengthened to meet this need and to assure the best use of scarce manpower in any future national emergency. Some employers and workers fail to use the Employment Service because they do not realize its value. They should acquaint the Service with their problems, since the more it is used the better will it function.

Last year, although the economy as a whole was prosperous, some communities suffered from sizable unemployment. Their fortunes turned for the better when recovery got under way in the early fall, and most of them will regain prosperity as economic expansion cumulates. In some places, however, unemployment stems from special causes, such as a lasting *drop in the demand for their wares, an exodus of industry to new locations*, or a vanishing supply of some material basic to the local economy. *Such "structural" or "spot" unemployment may remain* even when the Nation's economy practically reaches full employment. The Federal Government *should be willing to assist depressed communities to develop workable solutions of their problems*. Accordingly, the Area Development Program of the Department of Commerce, *which can be so helpful in* revitalizing a community's industry and trade, should be further strength-

ened. For the time being, at least, it is also desirable to continue the policy of granting special tax amortization benefits for new defense facilities located in surplus labor areas and of placing government contracts as far as feasible in these areas.

It would be well to recognize, however, that these programs can make only a limited contribution to relieving "spot" unemployment, and that a large part of the adjustment of depressed areas to new economic conditions both can and should be carried out by the local citizens themselves. The Federal Government can make its most effective contribution to their needs as well as those of others by steadfastly pursuing monetary, tax, expenditure, debt management, and general housekeeping policies that promise a high and stable level of employment in the Nation at large.

*Extending Economic Security in Retirement*

Provision of a decent minimum income after retirement is a central element in a program for personal security. The Government acted last year to increase both the coverage and the benefits of Federal Old-Age and Survivors Insurance. To continue the progress toward comprehensive coverage, it is recommended that the Congress extend coverage on a permanent and full contributory basis to Federal personnel.

The major responsibility for security in old age rests, of course, upon the individual himself, and is discharged through personal saving, insurance, and investments of various kinds. In addition, private pension plans have multiplied during recent years, under the encouragement of our tax laws. More than 12 million employees of business enterprises are now covered by pension plans, under which it is estimated that about 3 billion dollars per year is currently being contributed by employers and employees. Private plans for retirement income appear to be highly desirable, but a number of questions merit further study by the Congress and the Executive Branch. For example, how do such plans affect the mobility of employees and the willingness of employers to hire older workers? How can, or should, these plans be fitted together with Federal Old-Age and Survivors Insurance into an integrated program for retirement income? What are the effects of pension plans upon the spending and saving habits of people? What influence does the investment of funds assembled through these plans have upon our financial markets and the supply of venture capital?

*Augmenting Low Incomes*

A small and shrinking, but still significant, number of American families have cash incomes under $1,000 per family. By current standards, most of them must be considered poverty-stricken. These families are not concentrated in urban centers. They live chiefly on small farms or in rural areas and villages, mainly in the Southern States. Raising the incomes of this group should be one of our continuing objectives.

The causes of low incomes are complex; they include lack of education or skill, poor health, old age, or prolonged unemployment. Solutions must

be found through a long-run program to improve the skill, training, and mobility of low-income earners, thereby increasing their productive capacity. The elimination of remaining poverty in America would not only bring greater happiness and opportunity to these people; it would draw them into the stream of progress, enlarge the markets for consumer goods, and promote the expansion of the economy. Means of raising low incomes by increasing the productivity of people have been the subject of study the past year by the National Agricultural Advisory Commission and by an interagency task force of the Council of Economic Advisers. Studies of this problem are continuing.

Under our system of free labor markets and free collective bargaining, the wages of a preponderant majority of workers are determined fairly without government intervention. Minimum wage laws do not deal with the fundamental causes of low incomes or poverty. However, minimum wage laws can assist the comparatively small number of workers who are at the fringes of competitive labor markets. The minimum wage under Federal law is now 75 cents an hour, a figure that became effective early in 1950. Since then the cost of living and average hourly earnings have risen, providing reason for an increase in the minimum wage when, as at present, the economic outlook is favorable. An increase to 90 cents an hour would be appropriate and consistent with over-all economic considerations at this time. It is recommended that the Congress increase the minimum wage to 90 cents an hour.

Such action would increase the wages of about 1.3 million workers by an average of about 9 cents an hour. In addition, some workers now earning more than 90 cents an hour would probably receive wage increases to preserve customary differentials. Although these increases would add appreciably to the costs of certain industries, notably in the South, the general expansion of economic activity now under way should increase the demand for their products and lead to economies of operation, besides those stimulated by the higher minimum, thus enabling these industries to absorb a part or all of the wage increase. Nevertheless, 90 cents an hour is the highest minimum wage that can be economically justified in present circumstances. A higher minimum might well cause lower production and substantial unemployment in several industries, and—whether directly or indirectly—it would probably bring generally higher prices in its wake. Such effects would make the gains of covered workers illusory, and they would lower the standard of living of uncovered low-wage workers.

The coverage of the minimum wage is no less important than its amount. Only about 24 million of the 44 million employees of private firms are now subject to the Federal minimum wage, an additional 3½ million being covered by the laws of 20 States. As stated in last year's Economic Report: "Neither the Federal nor the State laws now include the lowest-paid workers." It would be well for both the Congress and the States to consider the question of bringing substantial numbers of workers, now

excluded from the protection of a minimum wage, under its coverage. To ease the process of adjustment, a gradual approach to this problem will need to be developed.

*Protecting Workers' Savings*

A significant financial development of recent years has been the rapid spread of the credit union. These cooperative agencies provide a means by which members—primarily employees of the same firm or members of the same fraternal or similar association—can invest their savings in an institution under their own management and from which they can, when the occasion arises, borrow money for personal needs. In December 1953 there were about 13,700 credit unions in operation—7,100 with State and 6,600 with Federal charters—having a membership of nearly 6,650,000 persons and assets close to 2 billion dollars. For the most part, credit unions hold savings accumulated by individuals of small or moderate means, and which represent for them a first line of defense against economic adversity. It is desirable, therefore, that Congress consider measures for protecting these savings.

Among other measures, the Congress might well consider the merits of share-account insurance. An insurance system could be self-supporting, with membership mandatory for Federally chartered unions and voluntary for those having State charters. If such a system were established, it would be essential to maintain adequate safeguards for the insuring agency, such as a limit on insurable accounts, ample reserves, proper standards of admission, and thorough examination. In any event, it would be well to review the regulations that now govern the lending and credit management practices of credit unions.

Investments in the shares of credit unions represent, of course, only a small part of the savings of workers. Far larger in total amount are the savings that go into bank deposits, life insurance, Federal savings bonds, shares in savings and loan associations, and pension funds. The integrity of all these savings depends not only upon the soundness of the institutions

[illegible]

inflation of prices tomorrow.

*Improving Homes and Neighborhoods*

Last year the Federal Government moved energetically to broaden the opportunities for families to acquire new homes or to improve existing dwellings. Forward steps were also taken to assist communities to prevent the spread of slums and to rehabilitate deteriorated neighborhoods. Further progress will depend partly on what the Federal Government does, and in much greater degree on the efforts of civic organizations and on actions that can be taken only by State and local governments.

Federal funds are now available, but more will be required during the next fiscal year, for projects which look to the renewal of urban neighborhoods by conserving and improving what is still useful in blighted areas and by replacing what cannot be restored. This program supplements the financial facilities previously available for total clearance and redevelop-

areas for which local governments have developed practical renewal programs. States and cities can obtain assistance from the Housing and Home Finance Agency in developing their renewal programs and should, in their own interests, take steps to expedite them. For its part, the Congress should authorize the Public Housing Administration to enter into contracts for 35,000 additional units of low-rental public housing in each of the next two fiscal years, in order to assist in the relocation of families displaced as

the use of loan guaranty privileges by eligible veterans, and by permitting the Federal Housing Administration to insure supplementary loans under an "open-end" type of mortgage, the Act facilitates the repair and modernization of existing dwellings. The States can give further effect to these actions by enacting, where necessary, legislation to permit the writing of "open-end" mortgages. The availability of this type of financing will prove especially helpful to the many homeowners whose growing families require better and more spacious dwellings.

The Federal Government should take additional steps to augment the facilities available for home ownership and improvement. To accommodate the increasing demand for mortgage insurance, it will be necessary to increase the insurance authorization of the Federal Housing Administration. It is also recommended that national banks be allowed to make amortized real estate mortgage loans with maturities up to 20 years. The present limitation of ten years for conventional mortgages unnecessarily restricts the availability of home financing in some areas. The Congress can at the same time increase the availability of funds for the financing of construction work, and in a manner entirely consistent with sound credit practices, by authorizing national banks to make construction loans with a maximum duration of, say, nine months. This rule should replace the present limitation of six months.

These various steps would effectively widen the opportunities of families to acquire homes or to improve those they already own. It must be recognized, however, that the progressive easing of mortgage financing terms is not without its hazards for the stability of the economy. It would be a wise precaution, therefore, to provide for prompt readjustments in the terms of mortgage loan insurance and guarantees, when required by changes in economic circumstances. The Housing Amendments of 1953 authorized

the President, at his discretion and in the light of economic conditions, to alter the terms on which the Federal Government would insure mortgage lenders against losses on loans secured by residential properties. This authority was limited in its potential application, but it nonetheless provided a useful tool for the control of credit during inflationary periods and for the stimulation of home building during periods of contraction. Last year's Economic Report proposed that this discretionary authority be widened, but the Housing Act of 1954 moved in the opposite direction. The Congress should again consider this proposal and give the President greater latitude in the exercise of his power to vary the terms on which home mortgages are underwritten. In view of the magnitude of residential construction, its variability, and its responsiveness to changes in the terms of mortgage loans, a wide Presidential authority over terms, to be exercised with the aid of an advisory group, could make a major contribution to the maintenance of stable prosperity.

## IV. Expansion of Our Public Assets

Great accumulated needs for roads, schools and hospitals, for water, sanitary and community facilities, for conservation and recreational works, now exist in our nation. This accumulation is the result of postponements in the face of growing needs during the past fifteen years, when a large part of our resources was required by war and defense. The Economic Report of January 1954, noting the vast backlogs and the continuing expansion of needs, recommended that a larger part of the Nation's effort be devoted to public works, in order that our economy may grow without hindrance. The Federal Government shares with State and local governments the responsibility for removing this obstacle to economic expansion.

### *Modernizing the Highway System*

Highways carry the stream of commerce to nourish all parts of the national economy. Over them pass freight and passenger vehicles and, when necessary, the mechanized weapons of defense. When these channels are inadequate, congestion results; this causes loss of life and property and checks economic expansion. Serious congestion now exists, with 58 million cars and trucks traveling 557 billion vehicle-miles a year. Yet, it has been estimated that at the present rate of highway improvement and general economic growth, our country by 1965 may have about 80 million motor vehicles and an annual traffic of over 800 billion vehicle-miles.

With these considerations in mind, the President's Advisory Committee on a National Highway Program has sought to determine how the United States could best improve its highways during the next decade. After study and discussions with the Executive Committee of the Governors' Conference and other groups, the Advisory Committee has recommended the modernizing of the presently-designated National System of Interstate Highways, together with urban connecting roads, at an estimated cost of 27 billion dollars over a ten-year period. Toll roads already built to accep-

able standards along the designated routes could be included as segments of the National System. Our country would then possess an integrated network of safe, controlled-access highways—transcontinental, border-to-border, and interregional—capable of carrying the heaviest loads operated under uniform traffic regulations, and joining 95 percent of all cities with a population over 50,000.

The National System of approximately 40,000 miles has primary significance for the country's economic growth and military defense. Hence the Advisory Committee has proposed that the Federal Government bear all but 2 billion dollars of its cost. For their part, State and local governments would be expected to assume principal responsibility for financing the construction work needed on the remainder of our total street and road network of 3,348,000 miles. Federal grants-in-aid for roads would be maintained at approximately the current level. Taken altogether, the States and localities would be expected to bear about 70 percent of the estimated cost of about 100 billion dollars required to modernize the Nation's streets, roads, and highways over the next decade, while the Federal Government would bear the remaining burden of 30 percent.

The construction of the National System of Interstate Highways could be financed by obligations issued by an independent authority, created by the Congress. The funds needed to pay interest and amortize the highway debt could come from the excess—which may be expected to increase rapidly—of the Federal revenue from present taxes on gasoline and lubricating oil over the current amount of Federal grants-in-aid for roads. Although a steady pace of construction, financed through the sale of bonds to the public, would normally be the best procedure, expenditure and financing plans could be adjusted in the interests of general economic stability.

It is being recommended that the Congress act affirmatively on a national highway program, and with a view to its expeditious completion. A special message on the subject will be submitted shortly. Such a program would release enduring forces of economic expansion. As the construction of the National System progressed, the States and localities could be expected to enlarge their own expenditures on other roads and on streets. In addition, history shows that private investment mounts when new arteries of commerce develop. New factories and shopping centers would be constructed; service facilities for food, lodging, and automobiles would be provided along the new highways. Markets for new cars and many associated goods and services would be lifted to higher levels. Above all this, immense savings would accrue to the public from reduced accidents and lower transportation costs.

*Accelerating the Development of Natural Resources*

It is desirable to expand investment in facilities for conserving and bringing into economic usage more of our soil, water, mineral, and other resources. To speed this process, the Federal Government has attempted to distinguish as clearly as possible the field of Federal enterprise from that

of private or local enterprise. It must act vigorously in the former—as this Administration proposes in the case of the national system of highways; and it must foster and encourage activities by others in the latter—as has already been done in the leasing of the Government's submerged and other lands for private exploration of petroleum and other mineral deposits.

Of all our natural resources, none requires more immediate attention than water. The effective conservation, control, and utilization of the Nation's water resources requires energetic implementing of sound policies. The present partnership policy of developing water resources is a particular expression of the Government's general approach to resource development. This policy is, simply, to encourage State and local governments and private interests to provide all physical facilities that they can, leaving for Federal execution those parts of water development projects which serve national purposes or which, because of great size or complexity, are beyond the capability of others.

This approach promises to accelerate the development of our water resources without involving the Federal Government in huge expenditures or operations. Thus, during the last two years applications to the Federal Power Commission for permits to survey potential hydro-electric developments represented a larger total of kilowatts than was covered by the applications during the prior seven years. At the end of last year the volume of such permits outstanding was by far the greatest in the history of the Commission. The workings of the partnership policy are also illustrated by six multipurpose projects for which provision has already been made or is contemplated in the coming fiscal year. It is estimated that these projects will result in a Federal expenditure of about 200 million dollars, while an additional 800 million dollars may be expended by local interests, private or public.

*Expanding State and Local Works*

The largest part of the demand for public assets is for new schools, hospitals, water systems, streets and roads, and other facilities of the kind traditionally provided by States and their governmental subdivisions. Clearly, every necessary step should be taken to facilitate the execution of these projects.

The capacity of most municipalities, when judged from an economic point of view, appears to be adequate for financing needed improvements. However, many communities are prevented from utilizing their financing capacities by outmoded tax-rate or debt limits. State legislatures might well review their limiting statutes and, where advisable, proceed to remove or relax barriers to local public investment.

In States where the barrier of tax-rate or debt limits cannot be easily or quickly lowered, consideration should be given to alternative financing measures. Some States have made loans or grants to local school districts for the financing of building programs. Other States have established independent authorities, which raise funds for school building through the sale of revenue

bonds secured by the leasehold rental payments of the districts for which schools are built. Use might be made of lease-purchase plans, whereby municipalities can acquire needed buildings through instalment payments and yet stay within their existing debt limits.

It is also desirable to explore ways of broadening the market for bond issues of local governments, particularly those of smaller localities. At least one State has established an agency to examine and approve all of its new local government issues prior to their sale to the public. The market for small issues of little-known municipalities could be broadened by encouraging the establishment of a type of investment trust which would specialize in the securities of State and local governments, including their revenue bonds. To make the shares of such companies attractive to individual investors, the Congress should revise the tax laws so as to permit a regulated investment company, holding the bulk of its assets in the form of tax-exempt securities, to pass through to its shareholders the tax-exempt status of the income received on such securities. Such a "pass-through" would be a useful extension of a principle already in use.

States. The lack of congruence between the area of need and the area of governmental jurisdiction throws obstacles in the way of rapid and efficient construction of public works. The States are urged to study the problems of metropolitan areas, so that area-wide transit systems, sanitation systems, water supplies, or educational facilities may be provided with maximum returns from the public funds expended. For some of our larger metropolitan areas, interstate action is indicated. The metropolitan problem is both a challenge and an opportunity.

*Coordination of Public Works Planning*

Responsibility for different types of public construction is dispersed among many agencies of Federal, State, and local governments. Effective forward planning and execution of our Nation's public works therefore involves coordination of the activities of numerous Federal agencies, stimulation of advance planning by States and localities, and cooperation with State and local agencies engaged in public construction. Recognizing that the enlargement of our public assets is a vital task in the era ahead, and that the timing and coordination of public works activities have an important bearing on the growth and stability of the economy, the Council of Economic Advisers last year established a small unit to devote itself to coordinating the planning of public works.

Among other activities, this unit cooperated with the Bureau of the Budget in making an inventory of the status of Federal public works plans, project by project. It also initiated a survey of State and local plans for public works, which was carried out in cooperation with the Housing and Home Finance Agency and with the Bureau of the Census. The first study

disclosed that Federal plans for sound projects are available in reasonable abundance for an accelerated public works program, if economic conditions should make this necessary. The second study disclosed that public works programming by States and localities is extensive, but that there is only a very small backlog of plans at the stage of drawings and designs. The experience gained by the Council in surveying the Nation's needs and planning for public works has confirmed the wisdom of the many students of government who have repeatedly urged systematic attention to public works planning. To emphasize this vital activity and give it larger scope, an appropriation is being requested of the Congress to set up an Office of Coordinator of Public Works Planning within the Executive Office of the President.

A problem of great interest in this connection is the stimulation of public works planning in States and localities. Many smaller communities have projects within their master development plans for which funds are not immediately available to produce preliminary engineering surveys and designs. Assistance to such communities would help them to develop plans for public works ready for initiation, which otherwise would take months to prepare in case of need. Such a reservoir of planned public works should be of considerable magnitude to be effective. The sum of 1.5 million dollars made available by the Congress last year for planning advances—that is, interest-free loans—to States and municipalities was a good beginning but no more than that. It is recommended that the Congress enlarge substantially the appropriation for planning advances, and that a revolving fund be established for this purpose. The need for building a reservoir of "ready-to-go" projects has been recognized in three separate programs of planning advances, established by the Congress within the past decade. This experience indicates that the need for preparedness, being itself continuous, is not well met by programs of limited duration.

## V. Increasing the Stability of a Growing Economy

A view fundamental to the economic program presented in this Report is that the best way to avoid economic recessions is to have the economy growing vigorously. Yet it is necessary to recognize that, at times, growth processes may falter, and that on other occasions the forces of growth may generate price inflation. An expanding economy does not escape the need for moderating the business cycle. Hence, the program recommended in this Report has been formulated not only to foster economic growth, but to foster a reasonably stable process of growth.

The past quarter-century has taught our generation to be highly sensitive to economic changes. The protracted depression of the thirties, and the inequities of wartime and postwar price inflation, have made us intolerant of extensive fluctuations in incomes, in employment, or in prices. Economic statistics are now closely scrutinized and widely commented upon by men and women in different walks of life. The American people apply

more exacting standards to the performance of our economy than they did fifty or even five years ago. They expect their Government to pursue policies that foster a smoother rate of economic growth than was experienced in the past.

The growing confidence of people in their Government's ability to moderate economic fluctuations is desirable and not misplaced. A better-informed public with an increased awareness of economic change will tend to bring about higher standards of economic performance. This increased knowledge on the part of the public should, however, be accompanied by a realistic understanding of the practical difficulties in attaining increases in total production, employment, and personal income, entirely free from interruptions. Neither in our own history nor that of any other country has an economy ever attained this ideal for a long period of time.

The experience of Government in dealing with fluctuations in employment and incomes is not of long standing, and there is much yet to be learned about the problem of economic stability. For this reason, it is to be hoped that rigidity of judgments will not interfere with continued flexibility of policies and administration. We have learned from experience that the Government can do a great deal to moderate economic fluctuations, but there is as yet no good basis for the belief that it can entirely prevent them. A democratic government needs time, especially when current reports are conflicting, to meet a given economic situation. Moreover, the effects of its actions—whether in augmenting or in restraining demand—require time to work themselves out. Government ought not to be continuously veering its course, although it should act promptly and decisively when a threat to economic stability emerges.

Statesmanship requires that we make every effort to harness the idealism of our generation to the practical end of minimizing economic fluctuations. The economic effects of government operations are now so large and so pervasive that it is no longer reasonable to suppose that Government either can or should remain aloof from what goes on in the private economy. We have learned from experience that Government can pursue policies that not only promise to bring a stabler prosperity to economic life, but also to expand the scope and add to the vigor of private enterprise. Our aim must be to build on this experience, to pursue policies that will facilitate the growth of private enterprise, and to equip ourselves with better tools for checking any recession or inflation that might develop. Numerous actions taken last year by the Congress and the Executive have served these ends, and the program recommended in this Report should advance us further toward our goal.

Appendix A

# SUMMARY OF RECOMMENDATIONS IN THE ECONOMIC REPORT OF THE PRESIDENT

# Summary of Recommendations in the Economic Report of the President

The following summary of recommendations in the Economic Report includes recommendations to the Congress and suggestions to the States and municipalities.

*Taxes, Business Regulation, and the Public Debt*

1) Postpone the lowering of the corporate income tax and of excises, scheduled for April 1, 1955. [Page 49.]

2) Reduce the tax rate on corporate income from all foreign sources by 14 percentage points. [Page 53.]

3) Permit corporations with foreign branches to defer the tax on branch income until it is withdrawn from the country in which it was earned. [Page 54.]

4) Allow a regulated investment company, holding the bulk of its assets in the form of tax-exempt securities, to pass through to its shareholders the tax-exempt status of the income from such securities. [Page 64.]

5) Strengthen the deterrent to violation of the Sherman Antitrust Act by raising substantially the maximum fine that may be imposed under the Act. [Page 50.]

6) Increase the present statutory debt limit to permit greater flexibility in the management of Federal finances. [Pages 49–50.]

7) Review State and local tax-rate and debt limiting statutes with a view to removing or relaxing, where advisable, these barriers to local public investment. (State responsibility) [Page 63.]

*Unemployment, Pensions, and Minimum Wage*

8) Amend the unemployment insurance law of the District of Columbia to provide 26 weeks of benefits for all persons who qualify and who remain unemployed that long, and review disqualification provisions. [Page 56.]

9) Strengthen the Federal-State Employment Service. [Page 56.]

10) Extend the coverage of Federal Old-Age and Survivors Insurance, on a permanent and full contributory basis, to Federal personnel. [Page 57.]

11) Consider including under the unemployment insurance system the employees of State and local governments, and employees who work for firms employing fewer than four persons, to the extent that these workers are not now covered. (State responsibility) [Page 55.]

12) Consider revising unemployment insurance benefits so that (a) the great majority of covered workers are eligible for payments that at least equal half their regular earnings, and (b) the term of unemployment insurance benefits is 26 weeks for every person who qualifies for any benefit and who remains unemployed that long. (State responsibility) [Pages 55–56.]

13) Expand the Area Development Program of the Department of Commerce, which is designed to help depressed communities. [Pages 56–57.]

14)

workers now excluded. (Congressional and State responsibility) [Pages 58–59.]

*Education and Public Improvements*

15) Expand Federal programs for fellowships, research, teacher training, and related activities. [Page 51.]

16) Take early steps to help relieve the classroom shortage that now exists in our schools. (Congressional and State responsibility) [Page 51.]

17) Modernize over a ten-year period the presently-designated National System of Interstate Highways. [Pages 61–62.]

18) Appropriate funds to set up an Office of Coordinator of Public Works Planning within the Executive Office of the President. [Page 65.]

19) Enlarge the appropriation for planning advances to States and municipalities, and establish a revolving fund for the purpose. [Page 65.]

20) Study the problems of metropolitan areas, so that area-wide transit systems, sanitation systems, water supplies, or educational facilities may be provided with maximum returns from public funds expended. (State responsibility) [Page 64.]

*Housing and Finance*

21) Increase the insurance authorization of the Federal Housing Administration. [Page 60.]

22) Give the President greater latitude in the exercise of his power to vary, in the light of economic conditions, the terms on which home mortgages are underwritten by the Federal Government. [Pages 60–61.]

23) Allow national banks to make conventional real estate mortgage loans with maturities up to 20 years, and to extend the maximum duration of construction loans. [Page 60.]

24) Take steps to expedite urban renewal plans, so as to obtain available Federal assistance. (State responsibility) [Page 60.]

25) Consider, where necessary, enacting legislation to permit the writing of "open-end" mortgages. (State responsibility) [Page 60.]

26) Authorize the Public Housing Administration to enter into contracts *for 35,000 additional units of low-rental public housing in each of the* next two fiscal years. [Page 60.]

27) Continue the program for helping business concerns of small size to obtain access to adequate financing, to a fair share of Government procurement contracts, and to competent counsel; and extend the program's lending authority. [Page 50.]

28) Consider the merits of share-account insurance and other measures for protecting savings in credit unions. [Page 59.]

*International Economic Relations*

29) Extend the Trade Agreements Act, subject to present escape and peril point provisions, for three years with amendments to empower the President: (a) to reduce present tariff rates on individual commodities by as much as 5 percent per year in each of the three years; (b) to reduce tariff rates in greater degree in the case of products now imported in negligible volume; and (c) to reduce to 50 percent any rate in excess of that level. [Page 52.]

30) Establish standards for the valuation of imported goods that are simple, clear, and logical in their application. [Page 52.]

31) Increase the duty-free allowance of foreign goods brought home by tourists during any six-month period. [Page 52.]

32) Authorize at the proper time a contribution to the capital of the proposed International Finance Corporation. [Page 54.]

33) Strengthen the program of technical and other assistance to economically underdeveloped countries. [Page 53.]



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## Appendix B

# SOME LEADING ECONOMIC DEVELOPMENTS DURING 1954

I. The Nation's Output and Its Disposition
II. Employment and Earnings
III. Price Changes
IV. Monetary and Credit Developments
V. Government Finances
VI. Foreign Economic Developments

## Some Leading Economic Developments During 1954

The purpose of this Appendix is to present factual information on certain of the leading developments of 1954. These facts serve to document the analytical account given in Chapter 2, and to elaborate on some matters that are only touched upon in that chapter. Section I of the Appendix discusses the changes which took place during the year in the Nation's total output, in different branches of production, and in public and private expenditures. Section II deals with employment, unemployment, hours of work, wages, and industrial disputes. Section III discusses the broad movements during 1954 of commodity prices in wholesale markets, as well as the prices of consumer goods and services. Section IV reviews monetary and credit developments during the year, and gives a brief sketch of Federal Reserve and Treasury policies in the fields of credit and debt management. Section V records the finances of Federal, State, and local governments. The final part, Section VI, reviews economic developments outside the United States—notably the industrial and financial progress of Western Europe—and the foreign trade and investment of the United States over the year.

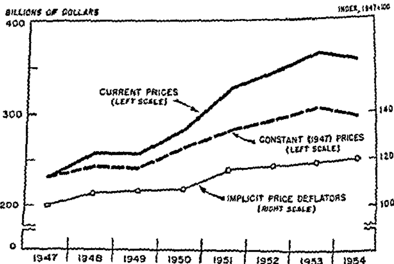
### I. The Nation's Output and Its Disposition

The Nation's output of goods and services declined slightly from 1953 to 1954 (Chart B–1). According to preliminary estimates based on expenditures data, the decrease in the gross national product was 2 percent. When allowance is made for price changes, it appears to have been about 3 percent. When the decline is measured from the highest quarter in 1953 to the lowest quarter in 1954, instead of from one year's level to the next, it is not much larger.

Although measures of change in the total output of goods and services from 1953 to 1954 are useful as broad indicators of the over-all performance of the economy, they obscure the diversity of experience among major sectors. What is perhaps more important, they veil the significant fact that total output was again rising as 1954 drew to a close. While industrial production declined by 10 percent from mid-1953 to March 1954, it made a strong recovery in the latter part of the year, with most of the component industries showing marked improvement. Activity in the construction industry during 1954 was above that in 1953; agricultural output as a whole continued at the high 1953 level; and some of the service and utilities industries, notably electric light and power, continued to expand.

In contrast to the decline in total output, the final demand for goods and services, taken in the aggregate, was well maintained (Chart 8, p. 28).

CHART B–1




Consumer expenditures, which had fallen slightly in the fourth quarter of 1953, rose to a new record level by mid-1954, supported by a small but steady increase in disposable personal income. Outlays for fixed capital investment, when taken as a whole, showed few traces of the contraction. Expenditures by State and local governments continued to increase at a moderate pace, while Federal expenditure fell off substantially.

Since the contraction of output from mid-1953 to early 1954 was centered in industrial production, attention is directed first to that sector of the economy.

## Changes in Productive Activity

*Industrial production*

The salient features of the contraction and recovery in industrial production are shown in Table B–1. For 1954 as a whole, declines were greatest in metal mining, in the production of primary metals, and in coal mining. Declines in the output of metal fabricating industries ranged from 7 to 15 percent, and, since their sales declined less than production, the inventories of these industries were reduced substantially over the year.

In other branches of industrial production, activity was better maintained. Output of clay, glass, and lumber products, and also of stone and earth minerals, held close to 1953 levels. Output in the nondurable goods category

declined less than the output of durable manufactures or minerals. Among the major nondurable goods industries, the output of the food processing,

TABLE B-1.—*Changes in industrial production*

| Industry group | Percentage change[1] from— | | | |
|---|---|---|---|---|
| | 1953 to 1954[2] | July 1953 to March 1954 | March 1954 to August 1954 | August 1954 to December 1954[2] |
| Industrial production: total | −7 | −10 | 0 | +6 |
| Manufactures: total | −7 | −10 | 0 | +6 |
| Durable manufactures: total | −10 | −14 | 0 | +7 |
| Primary metals | −18 | −24 | +2 | +14 |
| Metal fabricating: total | −10 | −13 | 0 | +5 |
| Fabricated metal products | −10 | −15 | +3 | −1 |
| Electrical machinery | −9 | −18 | +11 | +6 |
| Nonelectrical machinery | −13 | −14 | 0 | −4 |
| Transportation equipment | −7 | −12 | −4 | +19 |
| Instruments and related products | −10 | −8 | −6 | +5 |
| Clay, glass, and lumber products | −2 | −3 | −7 | +13 |
| Furniture and miscellaneous manufactures | −8 | −11 | +3 | +1 |
| [illegible] | −2 | −6 | 0 | +4 |
| [illegible] | −7 | −11 | 0 | +8 |
| [illegible] | −8 | −11 | −6 | +12 |
| [illegible] | 0 | −2 | +2 | +1 |
| [illegible] | 0 | −5 | +1 | +4 |
| Foods, beverages, and tobacco | −1 | −1 | −1 | 0 |
| Minerals: total | −4 | −7 | −3 | +6 |
| Coal | −14 | −29 | +10 | +7 |
| Crude oil and natural gas | +1 | +1 | −5 | +6 |
| Metal mining | −21 | −17 | −14 | +10 |
| Stone and earth minerals | −1 | −1 | −2 | +4 |

[1] Percentage changes for monthly data are based on seasonally adjusted indexes.
[2] Preliminary.

Source: Board of Governors of the Federal Reserve System.

paper and printing, and chemicals and petroleum products industries kept in close step with their sales. Textile and apparel production declined 7 percent, which was enough, in view of the behavior of sales, to accomplish sizable inventory reductions.

The shorter-term movements of industrial production, shown in Table B-1 and Chart 12, page 31, are more striking and more significant than comparisons of the full years 1953 and 1954. They reveal the pattern of contraction and recovery which characterized these two years. The drop in total industrial production from July 1953 to March 1954 was half again as large as the change indicated by yearly averages, and the declines in industry groups were generally higher. From March to August 1954, durable and nondurable goods manufacturing showed no change, while minerals production continued to decline.

Industrial production as a whole registered a substantial recovery from August to December 1954; all major categories and most component industry groups shared in this advance. The expansion was strongest in motor vehicles and primary metals; electrical machinery, textiles, and coal also showed sizable gains. Though the output of clay, glass, and lumber products and of rubber and leather products also rose sharply, these increases to a large extent reflected the settlement of strikes which had curtailed production in the lumber and rubber industries in July and August.

*Construction activity*

The construction industry was a major source of strength in our economy during 1954. Total construction outlays—which closely reflect changes in physical volume, since costs for most types of construction appear to have changed very little—rose 5 percent from 1953 to 1954 (Table B-2). Out-

TABLE B-2.—*New construction activity*

| Item | 1953 | 1954 [1] | Percentage change from 1953 to 1954 [1] |
|---|---|---|---|
| | Millions of dollars | | |
| New construction: total | 35,258 | 37,170 | [illegible] |
| Private total | 23,877 | 25,720 | [illegible] |
| Residential (nonfarm) | 11,930 | 13,450 | [illegible] |
| Other | 11,947 | 12,270 | [illegible] |
| Public, total | 11,379 | 11,450 | [illegible] |
| Federal | 4,153 | 3,423 | [illegible] |
| State and local [2] | 7,226 | 8,027 | [illegible] |

[1] Preliminary estimate.
[2] Includes Federal aid (Appendix Table D-30).

Sources. Department of Commerce and Department of Labor.

lays by State and local governments showed a substantial increase; highway, public school, and sewer and water facility construction surpassed previous records. Federal outlays declined, mainly as a result of lower expenditures for defense construction.

Private outlays for commercial, religious, and educational buildings increased sharply in 1954. Utility construction was about equal to the high 1953 rate, but industrial building declined.

Current-dollar outlays for residential construction were at an all-time high in 1954, although the physical volume was below the peak of 1950. New housing starts in 1954 are estimated at 1.2 million dwelling units, compared with 1.1 million in 1953 and a record 1.4 million in 1950.

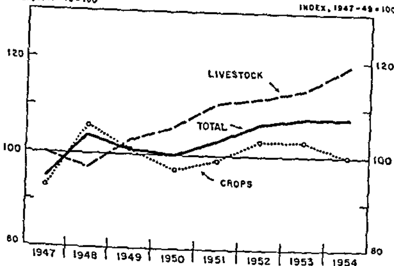
The movement of residential construction within 1953 and 1954 is especially noteworthy (Chart 13, p. 32 and Appendix Table D-29). On a seasonally adjusted basis, residential construction outlays declined slightly during the second half of 1953; but from March to August 1954, when industrial production showed no over-all change, these outlays expanded 21 percent. Further gains were made in subsequent months.

*Agricultural production*

In the past year, farm output as a whole equaled the record level of 1953 (Chart B-2). The wheat and cotton crops, due to marketing quotas, were respectively 17 and 18 percent smaller than in 1953. But since most of the 22 million acres taken out of wheat and cotton were used to expand production of feed and oilseeds, crop production as a whole declined only 3 percent (Appendix Table D-27).

Livestock production in 1954 was higher than in any previous year. Hog numbers increased sharply as a result of plentiful feed supplies and the

CHART B-2




favorable hog prices in late 1953 and early 1954. Output of poultry and eggs also expanded. Cattle and calf slaughter and milk production set new records in 1954. Milk production in the second half of the year, however, was about the same as in the corresponding period of 1953.

The movement of farm products into domestic consumption and export increased moderately from 1953 to 1954. One consequence was a sharp ... stocks. Whereas in 1953 the in... ommodity Credit Corporation rose ... (equivalent in value to 9 percent of total farm output), the increase from November 30, 1953 to November 30, 1954 was 1.6 billion dollars (equivalent to less than 5 percent of farm output).

Although price-support stocks were at a record 6.9 billion dollars on November 30, 1954, the ... f farm products ... a close. Nearly ... orn, cotton, and ... price-support stocks from the 1954 crops of wheat and cotton will be relatively small, and stocks of corn are expected to decline. Dairy products accounted for 8 percent of total price-support stocks in November, but purchases during the last quarter of 1954 were substantially below the same quarter of 1953, and sales and donations from stocks were much higher.

*Transportation, trade, and services*

Freight carloadings declined 12 percent from 1953 to 1954, reflecting mainly lower activity in coal mining and durable manufactures. Data for the first half of 1954 show a significant but smaller decline from a year earlier in the freight handled by intercity trucking firms.

The flow of goods through retail channels was well maintained, largely as a result of the high and increasing level of disposable income (Chart 14, p. 33). Retail sales in 1954 appear to have equaled their 1953 total, a stability which contrasts sharply with the decline of 7 percent in total industrial production. Reductions in inventories occurred, especially in consumer durable goods.

Production of electric power and natural gas increased from 1953 to 1954. Data on employment in the service industries suggest an expanded flow of services to consumers in 1954. So, too, does a deflated series of consumer expenditures on services, exclusive of housing (Table 1, p. 11).

CHANGES IN FINAL PURCHASES

The Nation's output may be considered as the sum of values added by current activity at each level of production and distribution. If there were no inventory changes, it could also be viewed as the total value of goods sold and of services rendered to final users. In any year, however, part of the Nation's output may be added to inventories, or final sales may be sustained at a higher level than current output by depleting inventories.

The distinction between current output (the gross national product) and final purchases is especially significant in interpreting changes from 1953 to 1954. Gross

percent, between the

dollars, or 1 percent.

in the two years, an increase of 1.5 billion dollars in 1953 and a decrease of 3.6 billion dollars in 1954 (Chart 8, p. 28).

The major components of total final purchases are shown in Table B-3. Purchases of goods and services by the Federal Government in 1954 were about 10 billion dollars lower than in 1953, but those of State and local governments increased. Gross private fixed investment (that is, the sum of expenditures on new construction and producers' equipment) totaled about the same as in 1953, and consumer expenditures rose by nearly 4 billion dollars. The increase in consumption expenditures was largely accounted for by housing and other services; expenditures for durable goods fell 700 million dollars, but expenditures on nondurable goods increased by 1.6 billion dollars over the prior year.

The quarterly data in Table B-3 and Chart 5, p. 26 show the 1954 recovery which is obscured by the yearly totals. From the second quarter of 1953 to the first quarter of 1954, gross national product, measured at seasonally adjusted annual rates, declined 14 billion dollars, or 4 percent

TABLE B-3.—*Gross national product and its major components*

[Billions of dollars]

| Component | 1953 | 1954 [2] | Change [1] from— | | |
|---|---|---|---|---|---|
| | | | 1953 to 1954 [2] | Second quarter 1953 to first quarter 1954 | First quarter 1954 to fourth quarter 1954 [2] |
| Gross national product: total | 364.9 | 357.1 | −7.8 | −14.1 | +5.2 |
| Change in business inventories | 1.5 | −3.6 | −5.1 | −9.6 | +2.7 |
| Final expenditures: total | 363.4 | 360.6 | −2.8 | −4.5 | +2.5 |
| Personal consumption expenditures | 230.1 | 234.0 | +3.9 | −.2 | +7.0 |
| Durable goods | 29.7 | 29.0 | −.7 | −2.3 | +2.1 |
| Nondurable goods | 118.9 | 120.5 | +1.6 | −.8 | +3.2 |
| Services | 81.4 | 84.5 | +3.1 | +2.7 | +1.8 |
| Gross private fixed investment | 49.9 | 49.7 | −.2 | −1.8 | +2.0 |
| New construction | 25.5 | 27.6 | +2.1 | +.1 | +3.1 |
| Residential nonfarm | 11.9 | 13.4 | +1.5 | −.5 | +3.1 |
| Other | 13.6 | 14.2 | +.7 | +.6 | .0 |
| Producers' durable equipment | 24.4 | 22.1 | −2.3 | −1.9 | −1.1 |
| Net foreign investment | −1.9 | −.6 | +1.3 | +2.2 | +1.1 |
| Government purchases of goods and services [3] | 85.2 | 77.5 | −7.7 | −4.7 | −7.6 |
| Federal [3] | 60.1 | 50.1 | −10.0 | −7.2 | −8.9 |
| National security | 52.0 | 43.6 | −8.4 | −7.4 | −6.3 |
| Other [3] | 8.1 | 6.6 | −1.5 | +.2 | −2.6 |
| State and local | 25.1 | 27.5 | +2.4 | +2.5 | +1.3 |

[1] Quarterly changes based on seasonally adjusted annual rates.
[2] Preliminary.
[3] Less Government sales.

NOTE.—Detail will not necessarily add to totals because of rounding.

ources: Department of Commerce and Council of Economic Advisers.

However, the decline in total final purchases during this period was very much smaller—4.5 billion dollars, or about 1 percent. Though the contraction was mild, it was reflected in several of the broad categories of final purchases. Expenditures for consumer nondurable goods declined slightly, while outlays for consumer durables dropped 8 percent (Chart 15, p. 34). However, consumer outlays for services and State and local government expenditures increased during this period; and the balance of foreign trade also shifted in a direction which tended to support domestic production and income.

Consumer expenditures increased at an annual rate of about 7 billion dollars from the first to the fourth quarter of 1954. Outlays for consumer durables were 7 percent above the first quarter low, and outlays for nondurable goods and for services were higher by 3 percent and 2 percent, respectively. The upsurge in residential construction has already been noted. National security expenditures declined at an annual rate of about 6 billion dollars from the first quarter to the fourth, but the rate of decrease slowed down materially toward the end of the year.

In the first three quarters of 1954, declines in national security outlays were barely offset by increases in expenditures for all major categories of civilian goods and services. In the last quarter, however, the expansionary

forces of the civilian economy prevailed: total final purchases rose 2 billion dollars, and inventory liquidation declined as gross national product increased more than did final purchases.

## Changes in Income Payments

### *Income disbursements to individuals*

Total personal income rose slightly from 1953 to 1954, despite the decline in gross national product (Appendix Table D–10). The increase was mostly in the fourth quarter of the year, reflecting the general expansion in output and final purchases. Wage and salary payments declined about 2.5 billion dollars, but other labor income increased slightly and transfer payments increased 2 billion dollars. Labor income and transfer payments combined declined slightly from 1953.

Income of farm proprietors, exclusive of receipts from net reductions of farm inventories, fell slightly in 1954, but the change was much smaller than in either of the two preceding years (Appendix Table D–10). Business and professional income also declined slightly, but was higher than in any year prior to 1953. Rental and interest incomes continued their rising trends, which have persisted for several years, and dividend payments increased despite a decline in corporate profits after taxes.

As a percentage of personal income disbursements, which are higher than total personal income by the amount of employee contributions for social insurance, investment income increased slightly in 1954 (Table B–4).

TABLE B–4.—*Distribution of personal income disbursements*

| Year | Personal income dis- [illegible] lars) | Percent of total personal income disbursements [1]: Labor income and transfer payments: [illegible] | dis- burse- ments [2] | [illegible] labor income | [illegible] pay- ments | [illegible] | Investment income: Total | Rents | Dividends | Intere[illegible] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1939 | 73 5 | 67.4 | 62.5 | 0 9 | 4.0 | 15.8 | 16.8 | 3.7 | 5.2 | 7[illegible] |
| 1946 | 180 0 | 69.5 | 62.1 | 1.1 | 6.3 | 19 6 | 10.9 | 3.4 | 3.2 | [illegible] |
| 1947 | 192 6 | 71 1 | 63 8 | 1.2 | 6.1 | 17.9 | 11.0 | 3.4 | 3.4 | [illegible] |
| 1948 | 210.9 | 70.7 | 64.1 | 1.3 | 5 3 | 18 2 | 11 1 | 3 4 | 3 4 | [illegible] |
| 1949 | 209.1 | 71.7 | 64.3 | 1.4 | 5 9 | 16.3 | 12.0 | 3.8 | 3 6 | [illegible] |
| 1950 | 229 9 | 72 0 | 63.7 | 1 7 | 6 6 | 15.7 | 12 3 | 3.7 | 4.0 | [illegible] |
| 1951 | 258 8 | 72 7 | 66 0 | 1 9 | 4 9 | 15 8 | 11.5 | 3 5 | 3.5 | [illegible] |
| 1952 | 275.1 | 74 0 | 67.3 | 2.0 | 4 8 | 14.5 | 11.4 | 3 6 | 3.3 | [illegible] |
| 1953 | 290.1 | 75.2 | 68 3 | 2.2 | 4 8 | 13.3 | 11 5 | 3.7 | 3.2 | [illegible] |
| 1954 [4] | 291.1 | 74 9 | 67.2 | 2.3 | 5.4 | 13.0 | 12.1 | 3.7 | 3.4 | [illegible] |

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Based on Department of Commerce data (except as noted).

Such an increase occurred in 1948–49 and in other mild contractions. Rents and interest together accounted for a larger share than in other postwar years, but the dividend percentage was lower than in any year of the period 1949–51. The income shares of both farm and business proprietors in 1954—4.1 percent and 8.9 percent, respectively—were at postwar lows. Wages and salaries accounted for 67.2 percent of personal income in 1954, slightly below the percentage for 1952 and 1953 but higher than for other postwar years.

*Changes in disposable personal income*

Although the disbursements of income to individuals increased very little from 1953 to 1954, the amount available for spending or saving—disposable personal income—increased 3.5 billion dollars. This result reflects, among other developments, the fact that Federal taxes on personal income declined by more than 3 billion dollars, or 10 percent, while State and local taxes and employee contributions for social insurance increased by a much smaller amount.

The percentage distribution of disposable personal income among expenditure categories is shown in Table B–5 for 1929, 1940, and the postwar years. The percentage distribution changed only moderately from 1953

TABLE B–5.—*Distribution of disposable personal income*

| Year | Disposable personal income[1] (billions of dollars) | Percent of total disposable personal income | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Personal consumption expenditures | | | | | | | Personal saving |
| | | Total | Durable goods | Nondurable goods | | | Services | | |
| | | | | Food[2] | Clothing and shoes | Other | Housing | Other | |
| 1929 | 83.1 | 95.0 | 11.1 | 23.5 | 11.3 | 10.6 | 13.8 | 24.8 | 5.0 |
| 1940 | 76.1 | 94.5 | 10.2 | 22.0 | 9.8 | 17.1 | 12.3 | 23.1 | 5.5 |
| 1946 | 159.2 | 92.1 | 10.0 | 25.4 | 11.5 | 16.2 | 8.5 | 20.5 | 7.9 |
| 1947 | 169.0 | 97.6 | 12.2 | 27.0 | 11.1 | 17.0 | 9.1 | 21.2 | 2.4 |
| 1948 | 187.6 | 94.7 | 11.8 | 26.3 | 10.5 | 15.9 | 9.4 | 20.8 | 5.3 |
| 1949 | 188.2 | 96.0 | 12.5 | 25.9 | 9.8 | 15.7 | 10.3 | 21.6 | 4.0 |
| 1950 | 206.1 | 94.1 | 13.9 | 24.7 | 9.0 | 15.0 | 10.4 | 21.2 | 5.9 |
| 1951 | 226.1 | 92.2 | 12.0 | 25.8 | 8.7 | 14.6 | 10.3 | 20.7 | 7.8 |
| 1952 | 236.9 | 92.2 | 11.3 | 25.9 | 8.5 | 14.6 | 10.8 | 21.1 | 7.8 |
| 1953 | 250.1 | 92.0 | 11.9 | 25.2 | 7.9 | 14.4 | 11.1 | 21.5 | 8.0 |
| 1954[4] | 253.6 | 92.3 | 11.4 | 25.2 | 7.7 | 14.6 | 11.6 | 21.8 | 7.7 |

Source: Department of Commerce

... little as consumer spending ... age spent on housing in ..., but the share spent for durable goods declined. Outlays for nondurable goods showed little change from 1953.

*Corporate profits*

Corporate profits before taxes declined sharply in the last quarter of 1953 but recovered a little in early 1954; in the first nine months of 1954 [illegible] industries, in rail transportation, and in textiles. Before-tax profits in nondurable manufactures as a group declined much less than in durable manufactures, while profits in communications and public utilities actually increased.

Corporate profits after taxes were lower in the first nine months of 1954 than in the corresponding period of the previous year by about 10 percent. Corporate tax liabilities, on the other hand, appear to have been 24 percent lower in January–September 1954 than in the same period of 1953, a decline on an annual-rate basis of about 5.4 billion dollars.

Preliminary estimates for the fourth quarter of 1954 indicate a marked recovery in corporate profits, both before and after taxes. The fourth quarter rise may bring after-tax profits for the full-year 1954 to within 3 percent, or so, of 1953.

Dividend payments in each quarter of 1954 were up from the previous year, despite the moderate decline in after-tax profits. Correspondingly, undistributed profits were down about 10 percent in 1954 from the preceding year. At an annual rate of 8.0 billion dollars, they were about equal to the 1946 level, and lower than in any other year since 1946.

## ADDENDUM: ALTERNATIVE MEASURES OF THE NATION'S TOTAL OUTPUT

Although national income statistics in the United S[illegible] reached a high [illegible] far from perfe[illegible] sufficient accuracy for most purposes, but small changes, such as those from 1948 to 1949 or from 1953 to 1954, defy accurate measurement at present. Indeed, the errors of estimation are sometimes of the same order of magnitude as the observed changes. While this is particularly true of estimates based on preliminary data, some uncertainty attaches also to the final figures.

Throughout this Report, the discussion of changes in the gross national product has been based on the figures that are conventionally designated in statistical reports by that name. In fact, however, two estimates of the gross national product are available. Since they are based on largely independent data, a rough check is possible on the accuracy with which changes in the gross national product are now measurable. The difference between these two estimates, the "statistical discrepancy," is regularly included in the national income accounts prepared by the Department of Commerce. Essentially, it is the difference between gross national

product as estimated, first, from information on expenditures for goods and services and, second, from data on incomes and other production costs. The difference between the two often changes by a billion dollars or less from one year to the next, or from one quarter to another. But occasionally it changes by as much as 3 or 4 billion dollars. Year-to-year changes of such size occurred in 1943–44, 1945–46, and 1947–48. According to preliminary data, the statistical discrepancy changed by an even larger amount from 1953 to 1954. Quarterly changes of large magnitude appeared during 1948–49 and 1953–54.

Economists conventionally use the gross national product estimates based on expenditure data; to avoid confusion, this practice has also been followed throughout this Report. On the basis of existing knowledge, it is impossible to say whether the estimate of gross national product based on expenditure data is more or less accurate than the estimate based on income data.

Some implications of these alternative measures of the Nation's output may be gathered from Table B–6. Based on the expenditure data, the

TABLE B–6.—*Alternative measures of the Nation's total output*

[Billions of dollars, seasonally adjusted annual rates]

| Period | Gross national product or expenditure [1] | Charges against gross national product [2] | Statistical discrepancy |
|---|---|---|---|
| 1948: First quarter | 247.9 | 248.8 | −0.9 |
| Second quarter | 255.5 | 258.9 | [illegible] |
| Third quarter | 261.9 | 263.6 | [illegible] |
| Fourth quarter | 264.0 | 266.0 | [illegible] |
| 1949. First quarter | 259.9 | 259.8 | [illegible] |
| Second quarter | 257.2 | 258.3 | [illegible] |
| Third quarter | 256.5 | 257.2 | [illegible] |
| Fourth quarter | 255.5 | 253.5 | [illegible] |
| 1953: First quarter | 361.8 | 363.0 | [illegible] |
| Second quarter | 369.9 | 367.3 | [illegible] |
| Third quarter | 367.2 | 365.1 | [illegible] |
| Fourth quarter | 360.5 | 359.9 | [illegible] |
| 1954: First quarter | 355.8 | 358.8 | [illegible] |
| Second quarter | 356.0 | 359.[illegible] | [illegible] |
| Third quarter | 355.5 | 359.9 | [illegible] |
| Change from fourth quarter of 1948 to fourth quarter of 1949 | −8.5 | −12.[illegible] | [illegible] |
| Change from second quarter of 1953 to third quarter of 1954 | −14.4 | −7.[illegible] | [illegible] |

[1] Estimates based mainly on expenditure data.
[2] Estimates based on income and non-income charges against production.

Source: Department of Commerce.

gross national product in 1954 appears to have been 2 [illegible] 1953. Based on income data, however, the decline [illegible] 1 percent. According to the quarterly expenditure [illegible] decline in total output was smaller than that of 1953–54. [illegible] based on income data suggest precisely the opposite. [illegible] be drawn that the available measures of total output [illegible] accurate to determine decisively which of the two [illegible]

## II. Employment and Earnings

Employment, which fell from the summer of 1953 to the summer of 1954, rose again in the last part of 1954, and unemployment declined much more than seasonally in the last three months of 1954. A reduction in average hours worked per week, due in large part to the decline of overtime, was reversed in May. The continued rise in average hourly earnings, which occurred despite the fall in employment, was a striking feature of recent developments in employment and earnings. Also noteworthy was the small amount of time lost in industrial disputes in 1954—the smallest since World War II.

### Employment

According to statistics compiled by the Bureau of Labor Statistics, nonagri- [illegible]

At its low point in August 1954, nonagricultural employment was 1,960,000 below the peak reached 13 months previously. It then began to rise, but in December it was still below the levels of mid-1953.

The decline in the number of persons employed in nonagricultural industries may well be somewhat overstated by the Bureau of Labor Statistics series, which is based on business payroll records. This series counts twice a person who appears on two payrolls during the same payroll period, either because he has changed jobs during the period or because he holds two jobs at the same time. Dual jobholding probably tends to decline during a contraction in business activity, and labor turnover was definitely lower in the summer of 1954 than in the summer of 1953. These changes would cause a larger decrease in the number of persons on payrolls than in the number of individuals employed in any one week.

Nonagricultural employment is also estimated by the Bureau of the Census (Appendix Table D–16 and Chart 10, p. 29). Its series, unlike that of the Bureau of Labor Statistics, includes the self-employed, unpaid family workers, and domestic servants. Because of this difference in coverage and some differences in concepts and method, the Census series, which is based on a household sample survey, shows a somewhat different movement than that shown by the series based on payroll records. The first suggestion of contraction came earlier in the Census series, which showed a slightly less than seasonal rise in the spring of 1953. However, most of the decline in this series, seasonally adjusted, took place after July 1953. The adjusted series dropped 1,600,000 from July 1953 to its low point in August 1954. From August to December 1954, the rise was about 400,000.

Like all data derived from sample surveys, the Census data are subject to some error because the experience of the persons in a sample may differ to some extent from the experience of the population as a whole. Further,

the information given to interviewers may occasionally be inaccurate. The data of the Bureau of Labor Statistics are also not based on a full count of the employed; they too involve some estimation. These factors, as well as differences in concept and coverage, presumably contribute to the differences in the movement of employment shown by the two series.

The decline in seasonally adjusted employment in nonagricultural establishments, as reported by the Bureau of Labor Statistics, occurred principally in manufacturing (Table B–7). Between July 1953 and August 1954, employment also fell in other sectors—transportation, Federal Government, mining, and trade. Seasonally adjusted employment increased over this

TABLE B–7.—*Changes in nonagricultural employment by industry*

[Thousands of persons, seasonally adjusted data]

| Industry | Change from | | |
|---|---|---|---|
| | July 1953 to March 1954 | March 1954 to August 1954 | August 1954 to December 1954 [1] |
| Nonagricultural employment: Total | −1,464 | −496 | +404 |
| Mining | −72 | −42 | −21 |
| Contract construction | +43 | −14 | −38 |
| Manufacturing | −1,245 | −529 | +310 |
| Durable goods industries: Total | −943 | −454 | +269 |
| [illegible] | −56 | −40 | −4 |
| [illegible] | −51 | −74 | +121 |
| [illegible] | −42 | +5 | +1 |
| [illegible] | −37 | +3 | +8 |
| [illegible] | −159 | −36 | +15 |
| [illegible] | −123 | −19 | −4 |
| [illegible] | −128 | −69 | −37 |
| [illegible] | −131 | −22 | +14 |
| [illegible] | −157 | −172 | +147 |
| Instruments | −19 | −19 | +1 |
| Miscellaneous manufacturing | −40 | −11 | +7 |
| Nondurable goods industries, Total | −302 | −75 | +41 |
| [illegible] | −21 | −30 | +3 |
| [illegible] | −4 | 0 | +3 |
| [illegible] | −136 | +16 | −16 |
| [illegible] | −57 | −34 | +11 |
| [illegible] | −16 | +7 | −4 |
| [illegible] | +14 | +1 | +6 |
| [illegible] | −27 | −8 | +3 |
| [illegible] | −9 | −2 | −2 |
| Rubber products | −28 | −24 | +30 |
| Leather and leather products | −18 | −1 | +7 |
| Transportation and public utilities: Total | −239 | −11 | −23 |
| Transportation | −236 | −4 | −24 |
| Communication | −6 | −9 | +1 |
| Other public utilities | +3 | +2 | 0 |
| Wholesale and retail trade | +8 | −48 | +44 |
| Finance, insurance, and real estate | +31 | +28 | +30 |
| Service and miscellaneous | −36 | +63 | −21 |
| Government: Total | +46 | +57 | +123 |
| Federal | −86 | −39 | −2 |
| State and local | +132 | +96 | +125 |

[1] Based on preliminary data for December.

Sources: Department of Labor and Board of Governors of the Federal Reserve System.



325643—55——7

period in State and local government; in finance, insurance, and real estate; and in service and miscellaneous industries. Within manufacturing, employment declined in every major industry group except printing, publishing, and allied industries.

From August 1954 to December 1954, seasonally adjusted employment rose in 15 of 21 manufacturing industry groups. The largest increases occurred in transportation equipment and in lumber and wood products. The large output of new-model automobiles in November and December was the principal cause of increased employment in transportation equipment. In lumber and wood products, employment recovered almost to

employment retarded migration away from farms, or that fewer farm residents than usual shifted from farm to nonfarm work in their own areas during the off-season, or both.

### Unemployment

During the first half of 1953, unemployment, as estimated by the Bureau of the Census, continued to decline and reached a level lower than that of any corresponding period since World War II (Appendix Table D-16 and Chart 10, p. 29). The month-to-month movement of unemployment during the late summer and autumn of 1953, on the other hand, is somewhat obscure. The Census was then preparing to shift from its old sample of households in 68 areas to a new sample of households in 230 areas. During this period of preparation, less attention than usual was devoted to

published were later revised upward by the Census Bureau to reflect the higher level of unemployment shown by the 230-area sample for January 1954, as well as the increase in unemployment insurance claims. The revised data, though admittedly somewhat arbitrary, appear to be more accurate.

It is nevertheless clear that unemployment rose rather substantially between August 1953 and March 1954. The rise was due in part to the usual curtailment of outdoor employment in the winter months, but the greater part was the result of contraction in business activity. This rise in unemployment was more rapid, though less prolonged, than that which occurred in 1949. The peak of 3,725,000 (5.8 percent of the civilian labor force) reached in March 1954 was 959,000 lower than the peak of 4,684,000 (7.6 percent of the civilian labor force) reached in February 1950.

During the spring and summer of 1954, unemployment declined, following the usual seasonal pattern, except that the number of young workers reported as seeking work rose less than is usual in June and July. After

September, the decline in unemployment was clearly more than seasonal; in October, unemployment fell below 3 million for the first time in the year. Thereafter the usual seasonal rise did not occur; the December figure of 2,838,000 was only slightly above the October level.

It is important to recognize that the unemployed are not all the same individuals month after month; the turnover among them is substantial.

school or to resume full-time household duties.

It should also be noted that some unemployment exists even when the demand for labor is strongest. The reason is that at all times there are some people in the process of changing from one job to another. Also, at all times a considerable number of jobs are vacant because the right persons have not yet been found to fill them. It would be helpful to have adequate statistics on the total number of job vacancies in the economy.

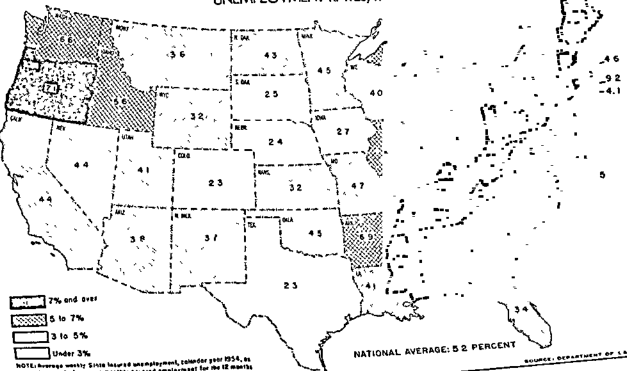
The Bureau of Employment Security also compiles statistics on unemployment. Its figures on insured unemployment and initial claims for unemployment insurance exhibit the same general movement of unemployment that has already been described (Appendix Table D–20). Insured unemployment was unusually low during the first nine months of 1953, dropping to a weekly average of 830,000 in September. For the next six months, the rise was much more than seasonal; the weekly average in March 1954 was 2,389,000. Seasonal reductions occurred from April through September, but in the last part of the year the rise in insured unemployment was smaller and occurred later than usual, as the normal curtailment of outdoor employment was offset by gains elsewhere, particularly in durable goods manufacturing. The monthly averages of insured unemployment for November and December 1954 were 1,643,000 and 1,869,000, respectively, but initial claims for unemployment insurance in these months were below the levels of a year earlier. The statistics of insured unemployment ... that the amount of unemployment among

covered employment for the continental United States. However, ... States it was less than 3 percent, and in nine it was 7 percent or over (Chart B–3).

The principal cause of unemployment in those States in which unemployment rates were highest was depressed conditions in the coal, textile, shoe, or apparel industries. Unemployment rates in most leading durable-goods producing States were close to the national average, although they had been well below the national average in 1952 and 1953.

In some areas, the impact of unemployment was greater than is indicated by State averages. The problems of the communities where unem-

CHART B–3




NOTE: Average weekly State insured unemployment, calendar year 1954, as a percent of average monthly covered employment for the 12 months ended June 30, 1954. Preliminary data.

ployment rates were highest did not arise solely from the recent contraction in general business activity. They were often related to long-run declines in demand for particular products, to changes in technology, or to shifts in the location of production. Among the areas experiencing considerable unemployment for such reasons were Lawrence, Massachusetts; Altoona, Johnstown, Scranton, and Wilkes-Barre, Pennsylvania; Providence, Rhode Island; and Charleston, West Virginia.

The severity of unemployment depends not only on how many are involuntarily idle, but also on how long their idleness lasts. As the total number of unemployed rises, the number unemployed for long periods rises more than proportionally. Those unemployed 15 weeks and over, as reported by the Census, numbered 150,000 in August 1953. This group reached a peak of 1,047,000 in April and May of 1954, and then fell gradually to 707,000 in December. The number unemployed more than 26 weeks reached a maximum of 400,000 in August 1954, and was reduced to 376,000 by December. The number in this group remained lower throughout 1954 than it had been in the first half of 1950, when it reached 481,000 persons at its high point.

As extended unemployment rises, so does the number of the insured unemployed who exhaust their benefit rights. Not all such persons remain unemployed, however; many soon find employment and others leave the labor force. For the continental United States, the number of persons reported by the Bureau of Employment Security as exhausting benefit rights was approximately 50,000 a month from August to October of 1953. This number rose rapidly from December 1953 to April 1954, when it reached 156,000, and then increased gradually to 171,000 in August. Beginning in September the number of exhaustions began to decline, and by November it had dropped to 141,000. The number of exhaustions in the first eleven months of 1954 was 1,610,000. The proportion of insured unemployed who exhausted benefit rights tended to be highest in the States whose laws provided benefits of shortest duration.

The exhaustion of unemployment insurance benefits and the increased difficulty experienced by marginal workers in finding jobs caused some rise in the number of persons aided under State and local general assistance programs (Table B–8).

TABLE B–8.—*Number of persons receiving general assistance*

[Thousands of persons]

| Month | 1953 | 1954 | Increase from 1953 to 1954 | Month | 1953 | 1954 | Increase from 1953 to 1954 |
|---|---|---|---|---|---|---|---|
| January | 630 | 730 | 100 | July | 490 | 700 | 210 |
| February | 620 | 780 | 160 | August | 480 | 720 | 240 |
| March | 610 | 820 | 210 | September | 480 | 740 | 260 |
| April | 580 | 790 | 210 | October | 480 | 740 | 260 |
| May | 630 | 730 | 200 | November | 510 | 770 | 260 |
| June | 510 | 710 | 200 | December | 620 | | |

Source. Department of Health, Education, and Welfare.

There was also an increase in partial unemployment early in 1954. Workers ordinarily employed full time who worked less than 35 hours a week on all jobs because of economic factors may be regarded as "partially unemployed." The number of such persons in nonagricultural industries apparently reached a peak in March 1954 and thereafter declined substantially (Table B–9). The concept has less significance for agriculture where the series has moved irregularly because of seasonal changes. The number partially unemployed in November 1954 was about the same as in December 1953.

TABLE B–9.—*Partial unemployment of usual full-time workers*

[Thousands of persons, 14 years of age and over]

| Area sample and month | Persons who usually work full time at their present jobs who were working part time[1] because of economic factors[2] | | |
|---|---|---|---|
| | Total | In agriculture | In nonagricultural industries |
| 68-area sample: | | | |
| 1952: November | 826 | 122 | 704 |
| 1953: December | 1,542 | 284 | 1,258 |
| 230-area sample: | | | |
| 1954: March | 1,878 | 166 | 1,712 |
| May | 1,644 | 96 | 1,548 |
| August | 1,861 | 410 | 1,451 |
| November | 1,506 | 221 | 1,285 |

[1] Less than 35 hours in the survey week.
[2] These factors include slack work, job turnover, materials shortages, and repairs to plant and equipment.

Source: Department of Commerce.

The increase in unemployment from 1953 to 1954 was also accompanied by an increase in the number of persons temporarily laid off (with instructions to report back to work within 30 days) and not seeking other work while awaiting recall. By long-standing practice, these persons are not classified as unemployed. Temporary layoffs began to rise in late 1953, and were over 400,000 in January 1954. From February through July, they varied between 200,000 and 300,000, more than 100,000 above the levels of the preceding year. In late 1954, temporary layoffs fell again to a low level (Appendix Table D–18).

### AVERAGE HOURS WORKED PER WEEK

The average number of hours worked per week in manufacturing is usually an early indicator of changes in business activity, because adjustments in hours can be made more quickly and easily than adjustments in employment. Average weekly hours of production workers in manufacturing, which had been 41.7 in December 1952, began to fall in the first months of 1953 (Table B–10, Appendix Table D–23, and Chart 20, p. 39). By early 1954, the average was below 40 hours, and in April it reached the

TABLE B-10.—*Average weekly hours of work in selected industries*

| Industry | April 1953 | April 1954 | Latest data available |
|---|---|---|---|
| All manufacturing | 40.8 | 39.0 | [1] 40.5 |
| Durable goods industries | 41.7 | 39.7 | [1] 41.1 |
| Nondurable goods industries | 39.5 | 38.1 | [1] 39.8 |
| [illegible] | 32.1 | 29.9 | [1] 35.4 |
| [illegible] | 43.2 | 39.8 | [1] 40.5 |
| [illegible] | 36.9 | 36.5 | [1] 36.1 |
| [illegible] | 39.1 | 37.1 | [1] 38.5 |
| [illegible] | 40.3 | 40.2 | [1] 40.5 |
| [illegible] | 41.3 | 41.1 | [1] 40.4 |
| [illegible] | 41.1 | 41.0 | [2] 41.3 |

[1] December 1954.
[2] November 1954.
[3] October 1954.

Source: Department of Labor.

low point of 39.0, somewhat above the low point of 38.4 reached in April 1949. Recovery also began early. After April 1954 the workweek rose more than seasonally, reaching 40.5 hours in December.

The decline in hours between 1953 and 1954 was largest in durable goods industries, where it reflected primarily the decline of overtime. But by December 1954 the workweek in these industries was again at a level indicating considerable overtime work [illegible]

[illegible] workweek from April 1953 to April 1954 [illegible]

## WAGE RATES AND EARNINGS

Average hourly earnings of production workers in all manufacturing industries moved upward moderately after mid-1953. The December 1954 level of $1.83 was 6 cents above that of July 1953 and 3 cents above that of December 1953 (Appendix Table D-24 and Chart 20, p. 39). During the economic contraction from November 1948 to November 1949, this series did not rise. As a result of the increase in hourly earnings and the recovery in hours of work, weekly earnings by late 1954 were above their mid-1953 levels (Appendix Table D-25). From a July 1953 level of $71.33, weekly earnings rose to $72.36 in December, but they fell to $70.20 by April 1954 as a result of shorter hours. They subsequently rose to the new all-time high of $74.12 in December 1954.

Outside manufacturing, hourly earnings toward the end of 1954 were also above the levels of mid-1953, except in mining, where there was virtually no change. Average hourly earnings in building construction rose 15 cents from July 1953 to November 1954; in retail trade they rose 5 cents. Average hourly earnings in Class I Railroads rose 8 cents from July 1953 to October 1954.

Within manufacturing, the rise in average hourly earnings for most major industry groups was larger than that of the all-manufacturing average. The latter was held down because employment contracted more in high-wage than in low-wage industries. In durable goods manufacturing, where the average rose 3 cents from July 1953 to July 1954, the rise was 4 cents or more in nine of eleven major industry groups, and 5 cents or more in four of them. Within many individual manufacturing industries, wage rates rose more than average hourly earnings, which were held down by reductions in overtime work at premium rates.

During 1954, a large proportion of the general wage increases negotiated in collective bargaining amounted to 5 cents an hour or slightly more, often accompanied by some improvements in pensions, insurance plans, or other fringe benefits. There was some tendency during the year to improve or preserve the relative earnings position of skilled workers by means of special wage increases or general percentage increases. Many workers in the basic steel, aluminum, aircraft, electrical machinery, shipbuilding, steel fabricating, meat packing, rubber, pulp and paper, and telephone industries, among others, received wage increases in 1954.

In addition to the wage increases that were negotiated, increases of 5 cents an hour were received by workers in the automobile industry and by some workers in the aircraft and farm machinery industries under the terms of the "annual improvement factor" clauses of prior long-term agreements. Since the consumer price index declined slightly during 1954, wages decreased 2 cents an hour under the "escalator clauses" of these agreements, leaving a net gain in money wages of 3 cents an hour. A number of escalator clauses were discontinued during the past year. The wages of approximately 2 million workers are now linked to the consumer price index, one and a quarter million fewer than a year ago.

Where firms or industries have experienced persistent difficulties, unions have in some instances foregone wage increases or accepted decreases. Since mid-1953, major contract settlements without wage increases have been made in the textile dyeing and finishing, footwear, and pottery industries, and agreements in coal mining have not been reopened. In the full-fashioned hosiery industry, employer contributions to pension funds have been discontinued. In the wool textile industry in the North, wage cuts of 7 cents an hour and up were accepted by unions after arbitration or after strikes. Workers of two automobile firms voted to discontinue incentive wage systems that had kept earnings on some jobs substantially above earnings for comparable work elsewhere.

### Industrial Disputes

The time lost in industrial disputes during 1954 and the number of workers involved were at the lowest levels since World War II. During the year, 3,450 work stoppages involving 1,500,000 workers were reported

by the Bureau of Labor Statistics, compared with 5,091 stoppages involving 2,400,000 workers in 1953. The workers involved in these disputes were idle 22,000,000 man-days in 1954, compared with 28,300,000 in 1953. These figures are 0.20 and 0.26 percent, respectively, of estimated working time.

## III. Price Changes

### Price Stability During 1953–54

The apparent stability of prices in the face of falling manufacturing and mining activity was one of the striking features of the recent contraction. Since mid-1953, the indexes of wholesale and consumer prices have fluctuated narrowly around horizontal trends, although the latter index, for technical reasons, may have failed to reveal fully the downward adjustments in the terms of purchase of durable consumer goods (Chart 24, p. 41 and Table B–11). Because of the over-all stability of prices, the inventory adjustments during 1953–54 were not aggravated by adverse expectations concerning prices such as often tend to develop when economic activity declines.

Table B–11.—*Changes in prices*

| Group | Percentage change [1] from— | | |
|---|---|---|---|
| | 1953 to 1954 | Second quarter 1953 to first quarter 1954 | First quarter 1954 to fourth quarter 1954 |
| Wholesale prices: All commodities | +.2 | +.9 | −.5 |
| Farm products | −1.3 | +1.2 | −6.0 |
| Processed foods | +.7 | +1.7 | −1.7 |
| Other than farm products and foods | +.4 | +.7 | +.3 |
| Consumer prices: All items [2] | +.4 | +.8 | −.3 |

[1] Change based on index (1947–49=100) for each group.
[2] Indexes for 1954 based on data through November.

Source: Department of Labor.

The primary factor making for price stability was the high and well maintained level of final demand during the past year and a half, as industrial activity first declined and then entered a new phase of expansion toward the end of the period. A n[illegible] independent influences also strengthened prices in primary mar[illegible] products. These included [illegible] expansion in Western Europe. [illegible] grams, and the vigorous economic expansion in Western Europe. The downward post-Korean adjustments in prices of industrial materials, which had occurred prior to the contraction of 1953–54, also left their mark on the behavior of prices during the contraction.

*Industrial prices and their interrelations*

Industrial prices were stable on the average during the contraction partly because they had fallen during the preceding two years (Chart 25, p. 42). The drop that occurred in the prices of raw and semi-processed industrial materials between early 1951 and early 1953 is especially noteworthy (Chart 26, p. 42). Wide swings in these prices are normal during business cycles, because current and anticipated changes in the demand for final products are magnified in primary markets through inventory adjustments at the various stages of production and distribu[illegible]. The unusual feature of recent [illegible] adjustment in prices of industrial [illegible] even a mild decline in business activity, had been virtually completed before the contraction began. This was particularly true in nondurable goods manufacturing, where prices of both materials and finished goods had declined sharply during 1951 and 1952, after the forward buying of the early months of the Korean conflict had run its course. In contrast, the prices of many durable materials and goods, which are usually more stable than those of nondurables and which were strongly influenced by defense production, leveled off or rose gradually during 1951–52, and then moved up slightly after price controls were removed early in 1953. Prices of most finished durable goods and some materials held steady during the subsequent contraction and recover[illegible] most metals dropped betw[illegible]

*Raw materials*

The long decline in the prices of basic raw materials was arrested late in 1953, and the index began to rise early in 1954 (Chart 26, p. 42). The expansion of Western European production was partly responsible for this upturn. Rising foreign demand helped to increase the prices of nonferrous metals and natural rubber, and to cushion the decline in wool prices. Domestic factors were more important, however. The new long-range stockpile programs of the Federal Government called for larger quantities of some nonferrous metals. Domestic consumption of natural rubber increased after its price declined relative to synthetic rubber during 1953 and the early months of 1954. Finally, the contraction in manufacturing which began in mid-1953 came to a halt after the first quarter of 1954, as the production of major household durable goods and most nondurable manufactures recovered from winter lows. All these developments combined to lift the index of prices of raw industrial materials during the first half of 1954, and further gains were recorded after August when the increase of durable goods production increased the demand for materials. By the fourth quarter, the index of raw industrial material prices was 8 percent above its first quarter level. The indexes of prices of semi-

processed industrial materials and of finished goods remained stable as raw material prices advanced during the first six months of 1954, but they too rose moderately toward the end of the year.

*Farm products and foods*

Prices of farm products at central markets fluctuated more widely than prices of industrial commodities during 1953–54, and by the fourth quarter of 1954 they were down 5 percent from the second quarter of 1953 (Chart 25, p. 42 and Table B–11). In general, this behavior represents a prolongation of the downward movement that began in 1951, as a consequence of approximately stable over-all demand combined with enlarged supplies of agricultural products. The average annual decline in the index of prices of farm products has been as follows: for 1951–52, 5.6 percent; for 1952–53, 9.3 percent; and for 1953–54, 1.3 percent.

In the aggregate, prices received by farmers at local markets followed a similar course, but there were striking differences among the various commodity groups. Smaller production of wheat, cotton, and corn caused market prices to increase relative to support levels during 1954, but prices of livestock and their products declined substantially. Thus, in the last quarter of 1954, crop prices averaged 4 percent higher than in the fourth quarter of 1953, while prices of meat animals

...ucts, and the parity ratio (the ratio of prices received by farmers to prices paid by them) averaged 87 in the last quarter of 1954 (Chart B–4).

Prices of processed foods fluctuated along with prices of farm products, but around a horizontal rather than a declining trend (Chart 25, p. 42 and Table B–11). Processed food prices tend to be less flexible than farm prices, partly because of additional costs incurred in processing. Wages, an important part of these added costs, continued to increase slightly.

## Consumer Prices

The over-all stability of the consumer price index during the contraction conceals offsetting movements in the prices of commodities and those of services (Chart B–5). Also, as observed previously, the index of consumer prices probably does not reflect fully the more favorable terms of purchase of

includes public utilities and public transportation, as well as personal services) had risen 2.3 percent over the same interval. In general, retail commodity prices have drifted slightly and irregularly downward since 1951, while service prices have increased steadily. These divergent trends produced a slight upward tilt in the consumer price index during 1952

CHART B–4

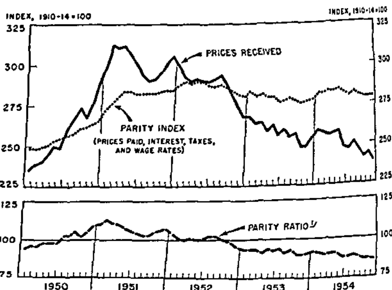
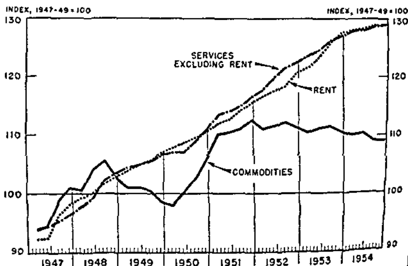



CHART B–5

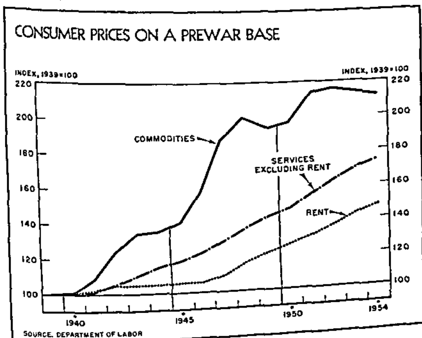


and most of 1953; after the contraction got under way, service prices rose more slowly, and the over-all index leveled off (Chart 24, p. 41).

Substantial declines in the prices of new automobiles, tires, and household durable goods during 1954 were mainly responsible for a fall of 2.8 percent in the index of prices for transportation goods and services and of 2.5 percent for housefurnishings between the fourth quarters of 1953 and 1954. Consumers benefited from reductions in excise taxes on many durable goods in April, and subsequent price reductions occurred as department stores and other retailers moved to meet the competition of discount houses. New car prices dropped in the fall of 1954, preceding introduction of the 1955 models, but the transportation price index rose 2.1 percent in November as dealers discontinued or reduced price concessions with the introduction of the new models. The prices of most nondurable commodities changed very little during the year. Apparel prices declined 0.9 percent, and the prices of foods sold for home consumption 1.7 percent, between October–November of 1953 and the corresponding period in 1954.

Prices of many services are regulated by public authority, by contract, or by custom, and they are still adjusting to postwar conditions of demand. Although they have risen relatively more than commodity prices since 1947 (Chart B–5), they have risen less from their prewar levels (Chart B–6). The rising trend of service prices during the recent past has reflected sustained demand for services and, from a longer point of view, a growth in the supply of services that has lagged behind a steadily increasing demand.

CHART B–6



# IV. Monetary and Credit Developments

Some of the most significant economic developments of 1954 took place in the credit and financial markets. Perhaps the most important was the net increase of 10.2 billion dollars in the loans and investments of the commercial banking system (Appendix Table D–43 and Chart 28, p. 44). This expansion of commercial bank assets was accompanied by, and to a considerable extent facilitated, increased flows of funds from financial institutions into public and private construction, which served importantly to sustain economic activity over the year. The process was facilitated by Federal Reserve actions and by the policies pursued by the Treasury in its management of the Federal debt.

## Expansion in Bank Loans and Investments

More than half of the over-all expansion in bank loans and investments was in holdings of United States Government securities. These increased by about 6 billion dollars, the increase being predominantly in intermediate and long-term securities. Bank holdings of State and local government securities and of corporate securities combined also increased, in their case by 1.6 billion dollars. The increase of 2.6 billion dollars in total loans clearly was not due to commercial and industrial loans; despite an increase in the second half of the year, these loans were still lower at the year-end than they had been at the end of 1953. The increases in the total were in large part the result of increases in real estate loans, in loans to brokers and dealers and to others for purchasing and carrying securities, and to a minor degree in agricultural loans. Loans to consumers were slightly reduced.

These facts reflect the broad economic profile of the year. The movement of commercial and industrial loans was due in large part to the slackening and subsequent recovery of activity in industry and trade. The increased holdings of State and local government securities and of loans secured by real estate represent the accommodation by the banking system of increased demands for credit from these consistently buoyant sectors of the economy. And the moderate increase in security loans is associated with the rise of stock prices and the year's heavy volume of underwriting activities. Had not commercial banks absorbed during the year about 6 billion dollars of Federal securities, the supply of money would have grown less rapidly, and economic events during the year might have been very different.

Despite absorption of large amounts of Federal securities by the commercial banking system, the total amount of Federal debt in the hands of the public, including the commercial banks and the Federal Reserve Banks, increased by only 2.3 billion dollars during 1954. There was, therefore, some redistribution of the publicly held Federal debt among various types of holders (Table B–12 and Appendix Table D–46).

The largest net reduction in holdings of Federal securities was by "other corporations" (primarily nonfinancial businesses). Individuals, including partnerships and personal trusts, reduced their holdings substantially, and appreciable amounts were sold on balance by insurance companies and mutual savings banks. State and local governments were large net buyers of Federal securities. An important aspect of these shifts is that the expansion of commercial bank credit made funds available to insurance companies and mutual savings banks for investment, over and above their receipts from new savings and from repayments of outstanding loans and investments. These funds were employed to a considerable extent in financing an expanding volume of residential construction, State and municipal works, and a continuing increase in outstanding corporate obligations.

TABLE B-12.—*Net changes in the ownership of the publicly held Federal debt, December 31, 1953 to December 31, 1954*

[Par value, billions of dollars]

| Investor group | Ownership distribution | | Net change in ownership |
|---|---|---|---|
| | December 31, 1953 | December 31, 1954[1] | |
| [illegible] | 229.9 | 279.2 | +2.3 |
| [illegible] | 63.7 | 69.5 | +5.8 |
| [illegible] | 25.9 | 24.9 | −1.0 |
| [illegible] | 15.3 | 14.9 | −.9 |
| [illegible] | 9.2 | 8.8 | −.4 |
| [illegible] | 21.5 | 19.3 | −2.2 |
| [illegible] | 12.9 | 14.6 | +1.7 |
| [illegible] | 65.0 | 63.7 | −1.3 |
| Miscellaneous investors | 12.9 | 13.5 | +.6 |

[1] Preliminary.

Sources: Treasury Department and Council of Economic Advisers.

## MONEY SUPPLY

Rising bank holdings of loans and securities were crucial determinants of changes in the money supply during 1954, although other factors also had a bearing (Table B–13 and Chart 27, p. 43). As measured by the total

TABLE B-13.—*Net changes in the money supply, 1952–54*

| Item | Net change[1] during— | | | | | |
|---|---|---|---|---|---|---|
| | 1952 | 1953 | 1954[2] | 1952 | 1953 | 1954[2] |
| | Billions of dollars | | | Percent | | |
| Demand deposits and currency: Total | 4.5 | 1.5 | 4.1 | 3.6 | 1.2 | 3.1 |
| Demand deposits adjusted | 3.3 | .9 | 4.1 | 3.3 | .9 | 4.0 |
| Currency outside banks | 1.2 | .6 | −.1 | 4.5 | 2.2 | −.3 |
| Time deposits | 4.3 | 4.6 | 5.2 | 7.1 | 7.0 | 7.4 |

[1] Based on data for end of year.
[2] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.
Sources: Board of Governors of Federal Reserve System and Council of Economic Advisers.

of adjusted demand deposits (exclusive of Government and interbank deposits) and currency outside the banks—the conventional definition of the active money supply—monetary expansion was considerably greater in 1954 than in 1953, and only a little less than in 1952. In fact, the expansion of demand deposits in 1954 exceeded that in 1952. The decline in cur-

### BANK RESERVES AND FEDERAL RESERVE POLICY

The 1954 expansion in bank credit and in the money supply was possible only because the commercial banking system was adequately supplied with reserves. The policies followed by the Federal Reserve authorities and the movement of member bank reserve balances are important elements, therefore, in the year's financial developments (Charts B–7 and B–8).

During the opening weeks of the year, commercial bank reserves were augmented by a substantial return of currency from public circulation, reflecting cyclical as well as seasonal factors. The objective of Federal Reserve policy in this period was to absorb part of any reserves arising from the currency inflow and from other reserve-expanding factors, and yet to *maintain* an adequate commercial bank reserve position. Federal securities were sold, on balance, in the first three months of the year; were held in

CHART B–7

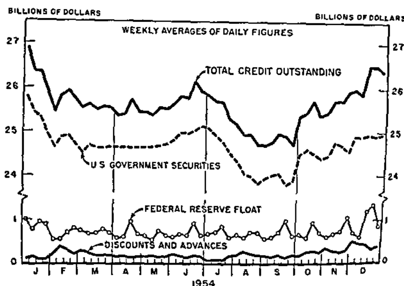
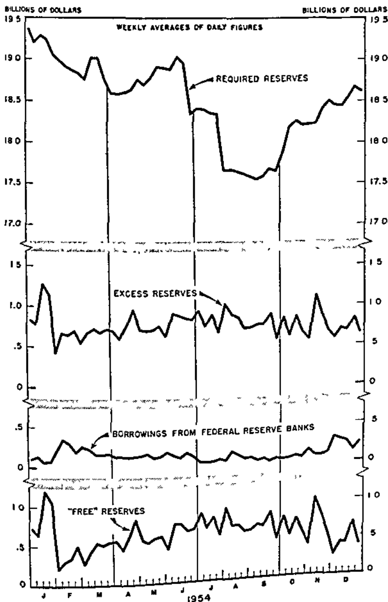


CHART B-8






325643—55——8

April at about the March level; and then were purchased, on balance, in May and June. Other factors affecting the reserve position of member banks from the beginning of the year until early June were a decline in deposits, which reduced the amounts of reserves required to be held by the banks, and a net outflow of gold. The combined effect of all these forces was to leave the reserve position of the member banks approximately the same in early June as it had been at the year's beginning, but in the interim there had been a decline followed by an increase in excess and "free" reserves. These were relatively low in early February, but increased fairly steadily from then until the middle of the year (Chart B-8).

Steps were also taken in the first half of the year to bring the lending rates of the Federal Reserve Banks more closely into line with open market rates of interest, which had been declining more or less continuously. In February 1954, discount rates charged to member banks were reduced from 2 percent to 1¾ percent, and buying rates on 90-day bankers' acceptances from 2¼ to 1¾; in April-May, rediscount rates were again lowered, this time to 1½ percent, and buying rates on acceptances were reduced to 1½ percent.

Important policy actions were taken in the second half of the year, when a series of reductions in reserve requirements was made, accompanied by open market operations. Reserve requirements for time deposits were cut from 6 percent to 5 percent for country banks on June 16, and similarly for central reserve and reserve city banks on June 24. On the latter date, the reserve requirement for demand deposits in central reserve city banks was reduced from 22 percent to 21 percent, and this change was followed shortly by three additional steps: the requirement for central reserve city banks was reduced from 21 percent to 20 percent on July 29; the requirement for reserve city banks was lowered from 19 percent to 18 percent on the same date; and the country bank requirement was cut from 13 percent to 12 percent on August 1.

Although these actions freed approximately 1.6 billion dollars of reserves, the volumes of excess reserves and of "free" reserves were relatively unchanged as the Federal Reserve Banks sold or redeemed about 1.0 billion dollars of securities in July and August, and other influences also tended to deplete reserves. These open market sales served to lessen the immediate impact of reduced reserve requirements on the money market. Net purchases of securities were made over the remainder of the year, as other forces—notably a net outflow of gold and a drain of currency into circulation—tended to absorb reserves and as an expansion of deposit liabilities increased the amount of reserves which the banks were required to hold. It is important to note that almost all of the 1954 expansion of bank assets and liabilities took place in the second half of the year. Excess reserves remained roughly stable, although toward the end of the year they declined somewhat and borrowing from Reserve Banks increased. A very small rise in money market rates and bond yields occurred toward the close of the year.

Table B-14.—*Factors affecting member bank reserves, December 1953 to December 1954*

[Monthly averages of daily figures]

| Factor | Change (millions of dollars) |
|---|---|
| Factors increasing member bank reserves: | |
| Decrease in money in circulation | 218 |
| Decrease in Treasury deposits with F. R. Banks | 159 |
| Increase in F. R. Bank discounts and advances to others than member banks | 153 |
| Decrease in other deposits with F. R. Banks | 83 |
| Increase in Treasury currency outstanding | 97 |
| Total increase | 661 |
| Factors decreasing member bank reserves: | |
| Decrease in U. S. Government securities | 722 |
| Net gold outflow | 317 |
| Decrease in float | 28 |
| Decrease in F. R. Bank discounts to member banks | 195 |
| Other factors | 60 |
| Total decrease | 1,320 |
| Member bank reserves: | |
| Total | −641 |
| Required | −659 |
| Excess | +18 |

Note.—Rounding accounts for the discrepancy between the excess of decreasing over increasing factors and the decrease in total reserves.

Source: Board of Governors of the Federal Reserve System.

A convenient recapitulation of the changes in member bank reserve balances over the year as a whole is given in Table B–14. The principal factors increasing member bank reserve balances were a decrease in money in circulation of something over 200 million dollars, a decrease of about 300 million dollars in Treasury and nonmember bank deposits at the Federal Reserve Banks, a 150 million dollar increase in discounts and advances to others than member banks, and close to a 100 million dollar increase in Treasury currency outstanding. Together, these factors added nearly 700 million dollars to member bank reserves. The amount of required reserves was lower by roughly 700 million dollars, as the effect of reduced reserve requirements in releasing reserves was partly offset by a rise in deposit liabilities. At the same time the volume of reserve balances was being reduced by a net outflow of gold of something over 300 million dollars, by a reduction of over 700 million dollars in holdings of Government securities by the Federal Reserve Banks, and by a 200 million dollar reduction in member bank borrowing from Reserve Banks.

The fact that excess reserve balances were virtually unchanged on balance over the year reflects inadequately the active policy of credit ease followed through practically all of this period. As pointed out above, this policy was accompanied by a substantial expansion of bank credit and of deposit liabilities, which entailed a greater commitment of reserves. It is interesting to note that, if it had not been for the midyear reduction in reserve requirements, the volume of reserves required at the year's end would have been higher by around 1.7 billion dollars.

## Bond Yields and Interest Rates

The policy of credit ease resulted in readier availability of loan funds and lower borrowing costs during 1954 (Chart 30, p. 45). For some

months during the year, interest rates and bond yields continued the downward trend that had begun in June–July 1953. The persistence and the degree of the 1954 decline varied in different sectors of the market. The rate on new issues of Treasury bills reached a low point in June; it subsequently increased and ended the year at just over 1 percent—the same level as in the early months of the year but substantially below average rates in 1953. The rate on prime commercial paper, also a short-term obligation of high quality, did not reach its low point until August, at which time it stabilized at 1¼ to 1⅜ percent. Here, also, money costs in 1954 were substantially below the 1953 levels.

In the long-term sector of the market, the movement of bond yields followed somewhat the same pattern, but with less amplitude. The yield on the 3¼ percent Treasury bond maturing in 1978–83, which was issued May 1, 1953, fell to approximately 2.6 percent in August 1954 and subsequently showed a slight tendency to rise. The downward movement of yields on high grade municipal bonds continued into August, and that, too, was followed by a slight upward movement. Borrowing costs of State and local governments were substantially lower than those that prevailed in mid-1953. Yields on high grade corporate bonds reached their low point in April, earlier than did the public issues, and held steady over the remainder of the year, also at a level appreciably below that reached in mid-1953.

The rates paid by business concerns on short-term loans also were reduced in 1954. The average rate on short-term business loans, reported by banks in 19 cities, was 3.56 percent in September, contrasting with an average of 3.7 for 1953 as a whole, a modest decrease characteristic of the relatively sluggish movement of customer loan rates. A more pronounced chang occurred in the rates paid by leading finance companies on their direc placements of finance paper with banking institutions and with other investors. This rate fell from slightly over 2 percent in January 1954 to 1.2 percent in July, at which point it remained over the rest of the year. Rate on this type of paper averaged 2.33 percent in 1953. These reductions in [illegible]

Although systematic and reliable information on the movement of rates and yields for urban mortgage loans is not available, scattered information suggests that financial developments after August 1953 were favorable to an increase of building activity. The increase to 4½ percent in May 1953 of the interest rate on FHA-insured and VA-guaranteed mortgages served to alleviate somewhat a shortage of funds in this market that had threatened seriously to hamper building activity; insured and guaranteed mortgages sold at increasing discounts as interest rates rose in the first half of 1953. This downward movement of mortgage prices was checked shortly after the middle of the year, and for the rest of 1953 and

much of 1954 they moved closer to par. The trend of yields reflected conditions of availability of credit in 1954 that favored an increase of building activity. The part played by the commercial banking system in these developments of the money and capital markets was highly significant.

## Consumer Credit

In the first quarter of 1954, additions to the flow of consumer expenditures generated by new extensions of instalment credit were less than the drain on consumer income arising out of repayments on old contracts, with the result that consumer instalment credit was, on balance, a contractive factor in the economy (Table B–15 and Chart 29, p. 44). This was

Table B-15.—*Net changes in consumer instalment and noninstalment credit outstanding*

[Millions of dollars]

| Period | Net change in— | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total consumer credit | Instalment credit | | | | | Noninstalment credit |
| | | Total | Automobile paper | Other consumer goods paper | Repair and modernization loans | Personal loans | |
| 1953: First quarter | +223 | +763 | +699 | −65 | +11 | +118 | −540 |
| Second quarter | +1,556 | +1,298 | +900 | +157 | +63 | +178 | +258 |
| Third quarter | +738 | +836 | +572 | +72 | +88 | +104 | −98 |
| Fourth quarter | +1,193 | +606 | +81 | +339 | +61 | +125 | +587 |
| 1954: January | −813 | −351 | −183 | −134 | −14 | −20 | −462 |
| February | −584 | −254 | −145 | −109 | −12 | +15 | −330 |
| March | −307 | −201 | −91 | −145 | −9 | +44 | −106 |
| April | +262 | +45 | +23 | −30 | +3 | +42 | +217 |
| May | +277 | +61 | +60 | −43 | +17 | +27 | +216 |
| June | +294 | +230 | +166 | −3 | +1 | +66 | +64 |
| July | +59 | +132 | +130 | −39 | +2 | +39 | −73 |
| August | +11 | +52 | +51 | −34 | +5 | +30 | −41 |
| September | +120 | +34 | +16 | −7 | 0 | +25 | +86 |
| October | +119 | +17 | −25 | +37 | −5 | +10 | +102 |
| November | +234 | +62 | −44 | +74 | −6 | +38 | +172 |
| December[1] | +991 | +496 | +104 | +302 | −21 | +111 | +495 |

[1] Preliminary.

Sources: Board of Governors of the Federal Reserve System and Council of Economic Advisers.

sharply in contrast to the situation in 1953, when consumer instalment credit was a consistently expansive factor. The impact of consumer credit on the economy changed in April, however, when total new instalment credits came approximately into balance with repayments. In the following eight months, new credits were in excess of repayments by varying amounts. The impact of the aggregate of instalment and noninstalment credit on consumer expenditures was contractive, on the whole, in the first quarter of 1954 but the net effect later was distinctly beneficial to the recovery [illegible] the year. [illegible] 1954 was [illegible]

[illegible] credit contracts. Delinquencies, as rep-

Association, were somewhat higher in the first half of 1954 than in the first half of 1953, but not significantly so. In almost all categories of consumer instalment loans, delinquencies were lower in 1954 than in 1949-50. The favorable 1954 record may doubtless be attributed in part to the fact that disposable personal income increased over the year.

## Issues of Corporate, State, and Municipal Securities

Offerings of State and municipal securities increased sharply in 1954, reflecting the increase in capital outlays by State and local governments (*Table B–16*). The gross proceeds of corporate issues were also higher in

TABLE B-16.—*Securities offerings, January to November, 1953 and 1954*

[Millions of dollars]

| Security | January-November 1953 | January-November 1954 |
|---|---|---|
| State and municipal securities (principal amounts) | 4,781 | [illegible] |
| Corporate securities (gross proceeds) | 7,420 | [illegible] |
| Proposed uses of estimated net proceeds from corporate offerings: | | |
| New money | 6,547 | [illegible] |
| Plant and equipment | 4,536 | [illegible] |
| Working capital | 2,010 | [illegible] |
| Retirements of securities | 234 | [illegible] |
| Other purposes | 610 | [illegible] |

Source: Securities and Exchange Commission.

the first eleven months of 1954 than in the corresponding period of 1953; but this gain was due wholly to an increase in refinancing issues, which was probably stimulated by the lower level of interest rates. The over-all volume of corporate securities issued for new money was somewhat lower than in 1953. The decline was limited entirely to issues for working capital purposes; reflected in this fact were the considerably reduced demands of sales finance companies. The volume of funds obtained for investment in plant and equipment, on the other hand, was higher in the period from January to November 1954 than in the corresponding period of 1953. Only a high level of confidence on the part of business could account for the fact that, while the economy was undergoing some contraction, many corporations made increased demands on the market for funds to expand or modernize producing capacity.

Developments in the market for existing shares were of a more spectacular nature. The Securities and Exchange Commission index of stock prices, covering 265 common stock issues, rose from its 1953 low of 181 (1939=100) in September to 268 in December 1954, an increase of 48 percent (Chart 31, p. 45). Trading volume on the New York Stock Exchange increased from a daily average of 967,000 shares in July 1953 to a daily average of 3.5 million shares in December 1954. The unusually rapid increase in share prices resulted in a sharp decline in the yield on

shares: the Moody index of yields on 125 industrial common stocks (ratios of dividends to market price) was 4.09 percent for the week ended December 31, 1954, contrasting with the postwar high of 7.29 percent in May 1949.

For the year ended December 29, 1954, loans to brokers and dealers for purchasing and carrying securities (other than U. S. Government obligations) by weekly reporting banks in New York and Chicago (which account for 80 percent or more of such loans of reporting banks) increased by 263 million dollars, to a total of 1,518 million dollars, and comparable loans to "others" rose by 155 million dollars, to a total of 482 million dollars. Amounts owed to member firms of the New York Stock Exchange maintaining margin accounts by their customers were 2.2 billion dollars at the end of November 1954, contrasting with the 1953 low, in January, of 1.3 billion dollars.

The upward movement of security prices and the volume of transactions accelerated in the closing days of the year and in the first days of 1955. In view of these developments, the Federal Reserve authorities at the close of business on January 4, 1955, increased the margin requirement from 50 to 60 percent.

## Mortgage Credit

The high level of construction and real estate activity in the past year made heavy demands on finance. During 1954, nonfarm mortgage debt outstanding rose by 11.3 billion dollars, with the greatest percentage increase in debt on homes (Appendix Table D-41). Nonfarm mortgage recordings of $20,000 or less rose by slightly over 10 percent in the first nine months of the year, but still larger developments were suggested by some ... 1954, VA appraisal requests were 113 per-

The large volume of home building in 1954, which played a ... role in sustaining the economy over the year and which, after allowance for seasonal influences, was still rising at the year's end, can be attributed in large part to the ready availability of credit on liberal terms. Individuals financed their purchases of homes on lower down payments and longer maturities in 1954, and financial institutions showed an increasing willingness to invest in home mortgages on these conditions. As indicated above, the yields on mortgage investments tended to decline over the year; but the attractiveness to lenders of home mortgages, particularly those protected ... Federal insurance or guarantee, relative to other long-term investme...

The adequacy of ... to the volume of savings flowing into investment ... mutual savings banks, ... mediaries, notably life insurance companies, ... However, the more favorable position of savings and loan associations. ... mortgages in the capital market, which came about without imposing higher

current interest costs on borrowers and in some cases in the face of declining current interest charges, played a major part in easing the home mortgage situation.

### Treasury Debt Management Policies

During the year the Treasury followed the policy of restricting its issues to those of intermediate and short term, thereby working cooperatively with the Federal Reserve in its policy of credit ease. The effect of Treasury policy was that it avoided interfering with the demands for long-term funds arising from the rapid expansion of private and State and local construction. The satisfaction of these demands for funds was a major factor both in moderating the contraction in late 1953 and early 1954 and in facilitating the recovery movement.

The
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security as well as the usual one-year certificate; and the two major cash financing operations—in May and October—were accomplished through the issuance of intermediate-term notes. Around 31 billion dollars of the Treasury securities issued through December 1954 were beyond the one-year area. As a result, the average length of the marketable debt rose over the year, reversing the steady six-year decline which virtually ended in 1952 and leveled out in 1953, and the floating debt was reduced.

## V. Government Finances

Federal expenditures were reduced during 1954. On the other hand, expenditures of State and local governments rose, as these governments continued their efforts to meet the need for public improvements and services resulting from increased population and the deferral of construction during the war years.

Although Federal expenditures were cut in fiscal year 1954, the Federal debt continued to rise. The gross debt of State and local governments also rose during the year, but—taken in the aggregate—these governments appear to have increased their holdings of cash and securities by almost as *much as the increase in their indebtedness. Much of these increased* liquid assets was held in sinking funds and trust fund accounts; a part took the form of larger working capital balances.

### Forms of Government Accounts

Government accounts can be drawn up in a number of ways, each method serving a different purpose. Conventional administrative budgets are used by Federal, State, and local governments in the formulation of their fiscal programs. Consolidated cash budgets are set up to reflect differences in

the cash income and outgo of the government under consideration. Finally, an account can be set up which employs the estimates of government receipts and expenditures that are reported in the national income and product accounts, as prepared by the Department of Commerce.

These three sets of accounts differ significantly, both in the way they are constructed and in the view they give of governmental operations. For the Federal Government, the conventional and cash budgets are developed from accounting records; receipts and expenditures as shown in the national income accounts, however, are budgetary data supplemented by estimates developed to adapt them to the needs of national income accounting. For State and local governments, there are no consolidated conventional budgets, and the consolidated data on a cash basis and on a national income basis are partly estimated. Receipts and expenditures as shown in the national income accounts, and to a certain degree as shown in the cash accounts, are, therefore, subject to the same type of reservation as the estimates of gross national product. (See Appendix B–I, pp. 84–85.)

### Federal Finances: Conventional and Cash Accounts

Federal finances may be considered first in terms of the cash statement. In fiscal year 1954, cash expenditures of the Federal Government were reduced substantially from the postwar peak reached in fiscal year 1953 (Table B–17); cuts in national security expenditures accounted for the

Table B–17.—*Federal receipts and expenditures: Conventional budget and consolidated cash statement, 1950–56*

[Fiscal years, billions of dollars]

| Receipts or expenditures | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 (estimated) | 1956 (estimated) |
|---|---|---|---|---|---|---|---|
| Conventional budget: | | | | | | | |
| Receipts | 36.5 | 47.6 | 61.4 | 64.8 | 64.7 | 59.0 | 60.0 |
| Expenditures | 39.6 | 44.1 | 65.4 | 74.3 | 67.8 | 63.5 | 62.4 |
| Surplus or deficit (−) | −3.1 | 3.5 | −4.0 | −9.4 | −3.1 | −4.5 | −2.4 |
| Consolidated cash statement: | | | | | | | |
| Receipts | 40.9 | 53.4 | 68.0 | 71.5 | 71.6 | 66.6 | 68.8 |
| Expenditures | 43.2 | 45.8 | 68.0 | 76.8 | 71.9 | 69.0 | 68.2 |
| Surplus or deficit (−) | −2.2 | 7.6 | (1) | −5.3 | −0.2 | −2.4 | 0.6 |

[1] Cash surplus of 54 million dollars.

Note.—Detail will not necessarily add to totals because of rounding.

Sources: Treasury Department and Bureau of the Budget.

bulk of the total reduction of 4.9 billion dollars. A further reduction, estimated at 2.9 billion dollars, is being made in the current fiscal year. For fiscal year 1956, cash expenditures are estimated at 68.2 billion dollars, that is, 0.8 billion less than estimated for fiscal year 1955, but 8.6 billion below fiscal year 1953 (Chart 3, p. 8).

Cash receipts for fiscal year 1954 were 71.6 billion dollars, approximately equal to those of fiscal year 1953. Receipts did not fall in fiscal year 1954

current interest costs on borrowers and in some cases in the face of declining current interest charges, played a major part in easing the home mortgage situation.

### Treasury Debt Management Policies

During the year the Treasury followed the policy of restricting its issues to those of intermediate and short term, thereby working cooperatively with the Federal Reserve in its policy of credit ease. The effect of Treasury policy was that it avoided interfering with the demands for long-term funds arising from the rapid expansion of private and State and local construction. The satisfaction of these demands for funds was a major factor both in moderating the contraction in late 1953 and early 1954 and in facilitating the recovery movement.

The Treasury was able to pursue its policy of improving the structure of the debt even though it offered no really long-term security during 1954. In all four of the major Treasury refundings during 1954—in February, May, August, and December—investors were offered an intermediate-term security as well as the usual one-year certificate; and the two major cash financing operations—in May and October—were accomplished through the issuance of intermediate-term notes. Around 31 billion dollars of the Treasury securities issued through December 1954 were beyond the one-year area. As a result, the average length of the marketable debt rose over the year, reversing the steady six-year decline which virtually ended in 1952 and leveled out in 1953, and the floating debt was reduced.

## V. Government Finances

Federal expenditures were reduced during 1954. On the other hand, expenditures of State and local governments rose, as these governments continued their efforts to meet the need for public improvements and services resulting from increased population and the deferral of construction during the war years.

Although Federal expenditures were cut in fiscal year 1954, the Federal debt continued to rise. The gross debt of State and local governments also rose during the year, but—taken in the aggregate—these governments appear to have increased their holdings of cash and securities by almost as much as the increase in their indebtedness. Much of these increased liquid assets was held in sinking funds and trust fund accounts; a part took the form of larger working capital balances.

### Forms of Government Accounts

Government accounts can be drawn up in a number of ways, each method serving a different purpose. Conventional administrative budgets are used by Federal, State, and local governments in the formulation of their fiscal programs. Consolidated cash budgets are set up to reflect differences in

The deficit in the cash budget of the Federal Government for fiscal year 1953, when national security expenditures were at their post-World War II peak, was 5.3 billion dollars. Cuts in expenditures reduced the deficit to 0.2 billion dollars in fiscal year 1954. Despite a continued drop in expenditures, the cash deficit in fiscal year 1955 is expected to be 2.4 billion dollars, primarily because of the loss in revenues resulting from the recent decline in economic activity and the tax reductions made last year. For fiscal year 1956, a cash surplus of 0.6 billion dollars is expected, as expenditures are cut further and receipts rise in response to economic expansion.

The margin between expenditures and receipts of the Federal Government during the past few years has been considerably larger in the conventional budget than in the cash budget (Chart 3, p. 8). Unlike the cash budget, the conventional budget includes intra-governmental transactions and eliminates the transactions of the Social Security and other

TABLE B-18.—*Effect of financial operations on the Federal debt, 1952–56*

[Fiscal years, billions of dollars]

| Item | 1952 | 1953 | 1954 | 1955 (estimated) | 1956 (estimated) |
|---|---|---|---|---|---|
| Budget deficit | 4.0 | 9.4 | 3.1 | 4.5 | 2.4 |
| Increase (+) or decrease (−) in Treasury general fund balance | −0.4 | −2.3 | +2.4 | −1.7 | ----- |
| Other transactions [1] | +0.3 | −0.1 | −0.3 | +0.2 | −0.7 |
| Increase in debt | 3.9 | 7.0 | 5.2 | 3.0 | 1.7 |
| Federal debt outstanding: [2] | | | | | |
| Beginning of the year | 255.3 | 259.2 | 266.1 | 271.3 | 274.3 |
| Increase during the year | 3.9 | 7.0 | 5.2 | 3.0 | 1.7 |
| End of the year | 259.2 | 266.1 | 271.3 | 274.3 | 276.0 |

[1] Includes changes in the clearing account for outstanding checks, net expenditures (including investments) of trust accounts, and other transactions.

[2] Securities issued or guaranteed by the U. S. Government, excluding guaranteed securities held by the Treasury.

Note.—Detail will not necessarily add to totals because of rounding

Sources. Treasury [illegible] Bureau of the Budget.

trust funds.

the convention[illegible]

budget of the impact of Federal finances on the economy.

tional budget, the Federal Government ran a deficit of 9.4 billion dollars in fiscal year 1953. This was reduced to 3.1 billion dollars in fiscal year 1954, and is expected to be 4.5 billion dollars in the current fiscal year. In fis[illegible] deficit in the conventional budget is expected to be 2.4

[illegible] billion dollars at [illegible] conventional budget deficit [illegible]

lic—amounted to 259.1 billion dollars

Although, as pointed out above, the conventional budget deficit was 9.4 billion dollars in fiscal year 1953, the public debt increased by only 7 billion—to 266.1 billion dollars, because 2.3 billion of the deficit was financed by drawing down the Treasury's cash balance (Table B-18). In fiscal

year 1954, the Federal debt increased by 5.2 billion dollars, to 271.3 billion dollars. Of this increase, 3.1 billion represented the amount necessary to finance the budget deficit and 2.1 billion represented the net effect of an increase in the Treasury's cash balance less minor offsetting items.

The net cash borrowing of the Federal Government in both years was considerably less than the increase in the Federal debt, mainly because part of the increase consisted of securities issued to trust funds and government agencies, and another part reflected accrued discount on savings bonds and bills. Were it not for year-to-year changes in the Treasury's cash balances, the net amount of cash borrowing from the public, or of cash repayments to the public, in any given year would closely approximate the cash deficit, or cash surplus, for that year.

### State and Local Government Finances: Cash Account

The combined cash expenditures of State and local governments (exclusive of Federal grants-in-aid) were 22.2 billion dollars in fiscal year

Table B-19.—*Consolidated cash statements of Federal, State, and local governments, 1950-54*

[Fiscal years, billions of dollars]

| Receipts or payments | 1950 | 1951 | 1952 | 1953 | 1954 |
|---|---|---|---|---|---|
| Federal Government: | | | | | |
| Cash receipts | 40.9 | 53.4 | 68.0 | 71.5 | [illegible] |
| Cash payments | 43.2 | 45.8 | 68.0 | 76.8 | [illegible] |
| Federal cash surplus or deficit (−) | −2.2 | 7.6 | (1) | −5.3 | [illegible] |
| State and local governments: [2] | | | | | |
| Cash receipts | 17.2 | 19.1 | 20.8 | 22.5 | [illegible] |
| Cash payments | 18.4 | 19.9 | 20.9 | 22.2 | [illegible] |
| State and local cash surplus or deficit (−) | −1.2 | −0.7 | −0.2 | 0.3 | [illegible] |
| Total government: | | | | | |
| Cash receipts | 58.2 | 72.5 | 88.8 | 94.0 | [illegible] |
| Cash payments | 61.6 | 65.7 | 88.9 | 99.0 | [illegible] |
| *Total cash surplus or deficit (−)* | −3.4 | 6.8 | −0.1 | −5.0 | [illegible] |

[1] Cash surplus of 54 million dollars.
[2] Estimates by the Council of Economic Advisers on the basis of incomplete data.

Note.—Federal grants-in-aid have been deducted from State and local government receipts and payments since they are included in Federal payments.
Detail will not necessarily add to totals because of rounding.

Sources: Treasury Department and Bureau of the Budget (except as noted).

1953 and 24.3 billion dollars in fiscal year 1954. Both current operating expenses and capital outlays increased. The increase in current expenditures reflected higher wages and salaries and larger employment. Expenditures on school and road construction accounted for most of the increase in capital outlays. Receipts of State and local governments also continued to rise in 1954, though at a slower pace. Cash receipts and expenditures of all State and local governments combined have been fairly close to balance during the past three years (Table B-19). Corresponding figures on the basis of conventional budgets are not available.

According to preliminary estimates, the gross debt of State and local governments rose from 32.7 billion dollars at the end of fiscal year 1953 to 37.9 billion dollars at the end of 1954, reflecting increased outlays on schools, highways, and other public improvements. Borrowing to finance self-liquidating projects was an important factor in this rise. Nevertheless, the debt of State and local governments is a much smaller percentage of the gross national product than it was during the prewar years (Table B–20).

TABLE B–20.—*Gross State and local government debt: total and as percent of gross national product, 1929, 1939, 1949–54*

| Year | Gross debt (billions of dollars, current prices)[2] | | | Gross debt of State and local governments as percent of gross national product |
|---|---|---|---|---|
| | Total | State | Local | |
| 29[1] | 17.2 | 2.3 | 14.9 | 16.5 |
| 39 | 20.0 | 3.3 | 16.7 | 22.0 |
| 49 | 20.9 | 4.0 | 16.9 | 8.1 |
| 50 | 24.2 | 5.4 | 18.8 | 8.5 |
| 51 | 27.0 | 6.4 | 20.7 | 8.2 |
| 52 | 29.6 | 7.0 | 22.6 | 8.6 |
| 53 | 32.7 | 8.0 | 24.7 | 9.0 |
| 54[3] | 37.9 | 10.2 | 27.7 | 10.6 |

[1] Fiscal year for debt, calendar year for gross national product.
[2] As of June 30.
[3] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Council of Economic Advisers.

The fact that the gross debt of all State and local governments combined rose substantially at a time when their cash budgets were almost [illegible] f cash and [illegible] expenditures, only a part of these are available for cu[illegible] penses or for capital outlays.

## RECEIPTS AND EXPENDITURES OF FEDERAL, STATE, AND LOCAL GOVERNMENTS: NATIONAL INCOME ACCOUNTS

Total government purchases of goods and services—Federal, State, and local—rose to a post-World War II peak of 86.6 billion dollars (seasonally adjusted annual rate) in the second quarter of calendar year 1953. They were only slightly lower in the fourth quarter of that year, as an increase in State and local government purchases offset part of the decline in purchases by the Federal Government. During 1954, these trends continued, but the decline in Federal purchases was more pronounced (Chart 5, p. 26). In the last quarter of 1954, total government purchases of goods and

services were being made at an annual rate of 74.3 billion dollars, or 12.3 billion less than the peak rate reached a year and a half earlier (Appendix Table D–1).

The decline in Federal purchases of goods and services was due primarily to a reduction in national security outlays. Following three years of growth, these outlays reached an annual rate of 54.3 billion dollars in the second quarter of 1953, more than three times the pre-Korean rate. By the end of 1954, they were reduced to an annual rate of 40.6 billion dollars, the lowest level since 1951.

State and local government purchases of goods and services rose to 27.4 billion dollars in 1954, up 2.3 billion from 1953. This increase was considerably above those of the preceding four years, and applied to all major types of goods and services purchased, with new construction showing the greatest proportionate rise.

Total receipts and expenditures of Federal, State, and local governments, as shown in the national income accounts, are given in Table B–21 for 1950–54. Tax reductions and increases in transfer payments (principally unemployment compensation and social security benefits) offset the recent decline in purchases of goods and services by the Federal Government. Because business taxes are shown on an accrual basis in the national income accounts, these accounts reflected the effect on Federal receipts of the 1953–54 contraction in economic activity and the 1954 tax reductions more promptly than did the cash and conventional budgets. This is particularly noticeable in the second half of 1953 and in the first half of 1954. For State and local governments, the national income accounts showed a rising trend of both receipts and expenditures during 1953 and 1954.

A reconciliation between Federal receipts and expenditures, as shown in the national income accounts and those in the cash and conventional budgets for fiscal years 1952–54 is given in Table B–22. The concepts and methods used in preparing the estimates of government receipts and expenditures for the national income accounts are discussed in detail in *National Income, 1954 Edition, A Supplement to the Survey of Current Business*, Department of Commerce, pp. 143–48.

Table B-21.—*Government receipts and expenditures as shown in the national income accounts, 1950–54*

[Calendar years, billions of dollars]

| Receipt or expenditure | 1950 | 1951 | 1952 | 1953 Total | 1953 First half[1] | 1953 Second half[1] | 1954 Total | 1954 First half[1] | 1954 Second half[1] |
|---|---|---|---|---|---|---|---|---|---|
| Total Government: | | | | | | | | | |
| Receipts | 69.4 | 85.6 | 91.1 | 95.9 | 97.0 | 94.7 | 90.1 | 89.8 | 90.3 |
| Expenditures | 61.2 | 79.4 | 93.9 | 102.5 | 101.9 | 103.2 | 97.4 | 99.7 | 95.1 |
| Excess of receipts or of expenditures (−) | 8.1 | 6.2 | −2.8 | −6.6 | −4.9 | −8.4 | −7.3 | −9.9 | −4.8 |
| Federal Government: | | | | | | | | | |
| Rec[illegible] | | | | | | | | | |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Contributions for social insurance | 3.9 | 7.1 | 7.5 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total receipts | 50.2 | 64.5 | 68.2 | 71.2 | 72.7 | 69.8 | 64.0 | 64.1 | 63.9 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Net interest paid | 4.4 | 4.6 | 4.6 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Subsidies less current surplus of Government enterprises | 1.2 | 1.3 | 1.0 | .7 | .8 | .7 | 1.1 | 1.1 | 1.0 |
| Total expenditures | 40.9 | 58.0 | 71.1 | 78.1 | 77.7 | 78.4 | 70.6 | 73.1 | 67.9 |
| Excess of receipts or of expenditures (−) | 9.2 | 6.5 | −2.9 | −6.8 | −4.9 | −8.7 | −6.6 | −9.0 | −4.0 |
| [illegible]ate and local governments: | | | | | | | | | |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Total receipts | 21.5 | 23.5 | 25.5 | 27.5 | 27.0 | 28.0 | 28.8 | 28.3 | [illegible] |
| Expenditures: | | | | | | | | | |
| Purchases of goods and services | 19.9 | 21.8 | 23.2 | 25.1 | 24.6 | 25.7 | 27.5 | 27.0 | 28.0 |
| Transfer payments | 3.4 | 2.9 | 3.2 | 3.1 | 3.2 | 3.1 | 3.2 | 3.2 | 3.2 |
| Net interest paid | .3 | .3 | .3 | .3 | .3 | .3 | .3 | .3 | .3 |
| Less: Current surplus of government enterprises | 1.0 | 1.1 | 1.2 | 1.3 | 1.2 | 1.3 | 1.4 | 1.3 | 1.4 |
| Total expenditures | 22.6 | 23.9 | 25.5 | 27.3 | 26.8 | 27.8 | 29.6 | 29.2 | 30.1 |
| Excess of receipts or of expenditures (−) | −1.1 | −.4 | .0 | .2 | .1 | .2 | −.8 | −.8 | −.8 |

[1] Seasonally adjusted annual rates.

Notes.—Federal grants-in-aid to State and local governments are reflected in Federal expenditures and State and local receipts and expenditures. Total government receipts and expenditures have been adjusted to eliminate this duplication.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE B–22.—*Reconciliation of Federal Government receipts and expenditures as shown in the national income accounts with receipts and expenditures as reported in the consolidated cash statement and the conventional budget, 1952–54*

[Fiscal years, billions of dollars]

| Receipt or expenditure | 1952 | 1953 | 1954 |
|---|---|---|---|
| National income accounts: | | | |
| *Receipts* | 65.8 | 70.4 | 66.4 |
| Expenditures | 66.9 | 75.3 | 71.4 |
| Excess of expenditures (−) | −1.1 | −4.9 | [illegible] |
| Reconciliation of receipts: | | | |
| Receipts as shown in the national income accounts | 65.8 | 70.4 | 66.4 |
| *Less:* | | | |
| Excess of taxes included in national income accounts over cash collections: | | | |
| *Personal* | .2 | .4 | −.1 |
| Corporate profits | −1.6 | −.6 | −2.4 |
| Other | .1 | .1 | −.1 |
| Federal Government contributions to: | | | |
| *Employee retirement funds* | .3 | .3 | .3 |
| Veterans life insurance funds | .1 | .1 | .1 |
| Federal Government employee contributions to employee retirement funds | .4 | .4 | .4 |
| *Plus:* | | | |
| Realization upon loans and investments | .2 | .2 | .1 |
| Interest, dividends, and other earnings | .4 | .5 | .4 |
| Proceeds from sale of government property | .3 | .2 | .1 |
| Recoveries, refunds, and other adjustments | .3 | .2 | .1 |
| District of Columbia revenues | .1 | .1 | .1 |
| Trust fund receipts not included in national income receipts | .4 | .2 | .1 |
| Statistical errors and omissions | .1 | .1 | −.1 |
| Equals: Consolidated cash receipts | 68.0 | 71.5 | 71.6 |
| Less: Trust fund receipts | 8.8 | 8.9 | 9.5 |
| Plus: | | | |
| Inter-fund transactions | 2.1 | 2.2 | 2.1 |
| Seigniorage | .1 | .1 | .1 |
| quals: Conventional budget receipts | 61.4 | 64.8 | 64.7 |
| Reconciliation of expenditures: | | | |
| Expenditures as shown in the national income accounts | 66.9 | 75.3 | 71.4 |
| Less: | | | |
| Federal Government contributions to— | | | |
| Employee retirement funds | .3 | .3 | .3 |
| Veterans life insurance funds | .1 | .1 | .1 |
| Federal Government employee contributions to employee retirement funds | .4 | .4 | .4 |
| Accrued discount on savings bonds and bills less interest paid on savings bonds and bills redeemed | .8 | .7 | .4 |
| Commodity Credit Corporation guaranteed nonrecourse loans | .1 | .2 | 2.4 |
| Excess of goods delivered to Government over payment therefor | [illegible] | −.7 | .4 |
| Miscellaneous adjustments | | .2 | .3 |
| Plus: | | | |
| Loans, excluding Commodity Credit Corporation | | 1.3 | −.1 |
| Interest received and proceeds of government sales netted out of n[illegible] income expenditures | | .8 | .1 |
| District of Columbia expenditures | | | .1 |
| Revaluation adjustment | | | .1 |
| Purchase of land and existing assets | | | .2 |
| Trust and deposit fund expenditures not included in n[illegible] inco[illegible] penditures | | | −.1 |
| Other adjustments | | | .4 |
| Statistical errors and omissions | | | |
| Equals: Consolidated cash expenditures | | | |
| Less: Trust account expenditures | | | |
| Plus: | | | |
| Inter-fund transactions | | | |
| Net accrued interest and other noncash transactio[illegible] | | | |
| Equals: Conventional budget expenditures | | | |

NOTE.—Detail will not necessarily add to totals bec[illegible]

Source: Department of Commerce, Bureau of the B[illegible]

# VI. Foreign Economic Developments

In general, the expansion that marked production and trade in the Free World outside the United States in 1953 was continued in 1954. Industrial output maintained its strong upward movement in Western Europe—a highly significant development from the standpoint of the Free World economy—and reached a record level, rising 8 percent in the third quarter of 1954 over the corresponding period of the preceding year (Table B–23).

TABLE B-23.—*Growth of Western European industrial production, selected countries*

| Country or area | Percentage increase from— | |
|---|---|---|
| | Third quarter 1952 to third quarter 1954 | Third quarter 1953 to third quarter 1954 |
| [illegible] | 15 | 8 |
| [illegible] | 8 | 15 |
| [illegible] | 22 | 17 |
| [illegible] | 22 | 10 |
| [illegible] | 19 | 6 |
| [illegible] | 15 | 5 |

Source: *OEEC Statistical Bulletin.*

Although some raw material prices declined, on balance the movement was upward. World trade volume also increased slightly over the level of 1953. Foreign holdings of gold and dollars increased by an estimated 1.6 billion dollars during the year, to a record amount of nearly 25 billion dollars. The gold and dollar holdings of the International Monetary Fund and the International Bank for Reconstruction and Development rose by 200 million dollars.

These developments were mutually reinforcing. The expansion of industrial production played a strong part in maintaining world raw material ... declining. The

Government credits and grants, and foreign gold ... most countries, especially those in Western Europe, to augment their reserves of gold and dollars. Increased reserves and an improved balance in the trading relations among countries of the Free World enabled a number of nations to liberalize further their import policies, including ... lar imports. Notwithstanding a de... 54, United States exports were main... which was a stabilizing factor in the ... contraction, the United United States economy. And in avoiding serious



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States economy, in its turn, operated to sustain confidence throughout the Free World.

### Rising Industrial Production Abroad

Several factors account for Western Europe's strong performance in industrial production in recent years. Perhaps the fundamental ones were greater political stability and the successful attack on inflation by sound fiscal and monetary policies, which led to the dismantling of many direct government controls. These factors combined to restore confidence in the value of money, to stimulate savings and investment, and to encourage private enterprise. In the improving atmosphere, investment in plant and equipment and residential construction expanded. More plentiful supplies of materials for production helped to raise productivity.

During the past year, production in Western Europe received a special impetus from sharply rising consumer demand and expanding export markets. The increase of consumer expenditures was supported in some countries by the readier availability of consumer credit. It was accompanied by only a nominal increase in price levels, because productivity advanced and imports remained available at fairly stable prices.

Not all countries outside Western Europe experienced a high rate of increase in industrial production during the year. Japanese production was increasing early in 1954 but leveled off in the spring, mainly owing to the cessation of hostilities in Korea. Price inflation, which was unchecked at the beginning of the year, was ended by measures to tighten credit. These had the effect of reducing the demand for imports and increasing exports. In Canada, industrial production followed a course somewhat similar to that in the United States, though the decline was less. Other countries outside Europe that did show substantial growth included Australia, Brazil, India, and the Union of South Africa. The performance in each case reflected the stimulus of new investment activity.

### Foreign Agricultural Production

The volume of agricultural production outside the United States appears to have been maintained in 1954 at about the same level as in 1953. While coarse-grain production in Western Europe was about 4–5 percent less than in the exceptionally good harvest year of 1953, most other categories of farm production held up well. Most areas of free Asia had some expansion of output in the crop year 1953–54, mainly of rice and cotton. In Latin America, 1953–54 production of coffee lagged, while that of corn, rice, sugar, and tobacco increased.

Significant declines in agricultural production occurred during the year in Canada, Turkey, and Australia, in each case chiefly as a result of poor harvests. Canada's wheat output was only about half that of the very good

harvest of 1953. The wheat harvests of Turkey and Australia also decreased sharply. Wool production in Australia, however, registered a gain. The physical supply of major agricultural commodities entering the world market continued to be abundant.

### Payments, Reserves, and Exchange Rates

Most countries of the Free World continued to improve their international financial position in 1954, although the improvement was generally less rapid than during 1953. The improvement was the result of the increased volume and better balance of world trade, and of continued large United States expenditures abroad under the Mutual Security and other programs.

Most countries of Western Europe showed a marked improvement in their balance of payments during the year. Germany continued to have a large trade surplus in spite of further liberalization of restrictions on imports from Europe and the dollar area. Switzerland and the Netherlands, both of which have large surpluses on current account, increased their foreign lending.

In Latin America the record for the year was not uniform among countries. For the area as a whole, gold and dollar reserves did not change substantially; several countries experienced moderate increases in their reserves and others lost reserves. The short-term external debt of the area ... normal cur-

...

In general, monetary reserves increased for the Free World ... United States, and at the end of 1954 they were more evenly distributed in relation to trade volume and international liabilities than at any other time in recent decades. At the end of the year, gold and dollar reserves in the various areas were as follows: Continental Western Europe, 11.2 billion dollars; sterling area, 4.3 billion dollars; Canada, 2.6 billion dollars; and Latin America, 3.6 billion dollars. The trend in such holdings since 1928 is shown in Appendix Table E–57.

### United States Trade With Foreign Countries

The principal changes between the first ten months of 1953 and the corresponding ten months of 1954 in the foreign trade of the United States were a reduction of about 8 percent in merchandise imports and a 3 percent increase in exports, excluding military transfers under aid programs ... nine months a decline of about 27 percent in

...

in Table B–24, which compares ... Merchandise exports to ... two years by major trading areas. Merchandise exports ... Western Europe increased by 13 percent and those to Latin America by

TABLE B-24.—*Distribution of nonmilitary merchandise exports and imports of the United States, by areas, January–October, 1953 and 1954*

[Millions of dollars]

| Area | Exports | | Imports | |
|---|---|---|---|---|
| | January–October 1953 | January–October 1954 | January–October 1953 | January–October 1954 |
| Continental Western Europe [1] | 1,808 | 2,044 | 1,447 | 1,220 |
| United Kingdom | 478 | 541 | 462 | 479 |
| Canada [2] | 2,735 | 2,458 | 2,042 | 1,960 |
| Latin America [2] | 2,584 | 2,758 | 2,903 | 2,738 |
| Sterling area exclusive of the United Kingdom | 742 | 768 | 975 | 851 |
| Other | 1,764 | 1,855 | 1,290 | 1,251 |
| Total | 10,088 | 10,433 | 9,118 | 8,42[illegible] |

[1] OEEC countries excluding the United Kingdom, Ireland and Iceland; also includes Finland, Spain and Yugoslavia.
[2] Includes "special category" exports.

Source: Department of Commerce.

7 percent. On the other hand, United States shipments to Canada declined approximately 10 percent. There was a small decline in United States imports from all areas shown.

## UNITED STATES LONG-TERM INVESTMENT IN FOREIGN COUNTRIES

Net private United States long-term foreign investment during 1954 increased over the preceding year (Table B-25). Net direct investments in foreign branches and subsidiaries of United States businesses were about the same as in 1953, while net United States purchases of foreign stocks and bonds and long-term bank loans (portfolio investments) changed from a negative amount in 1953 to a positive sum in 1954. The aggregate net outflow of long-term United States capital amounted to slightly less than 1 billion dollars in 1954. During the year, United States private investors received from foreign sources an estimated 1.7 billion dollars of interest, dividends and branch profits. It should be noted that the record in

TABLE B-25.—*Net private United States long-term foreign investment, by areas, 1953 and 1954* [1]

[Millions of dollars]

| Area | Direct investments | | Portfolio investments [2] | |
|---|---|---|---|---|
| | 1953 | 1954 [3] | 1953 | 1954 [3] |
| Continental Western Europe | 50 | 56 | −170 | −12 |
| United Kingdom | −11 | −23 | −37 | −16 |
| Canada | 413 | 436 | 8 | 102 |
| Latin America | 93 | 113 | −33 | −19 |
| Sterling area exclusive of United Kingdom | 64 | 61 | −42 | −35 |
| Other | 104 | 78 | [4] 96 | [4] 344 |
| Total | 723 | 708 | −178 | 340 |

[1] Minus sign indicates inflow into the United States.
[2] Includes new issues, redemptions, and other private long-term investment.
[3] January–September data at annual rates.
[4] Includes international institutions.

Source: Department of Commerce.

Table B–25 covers the net, not the gross, outflow of long-term private capital during the year. Moreover, Table B–25 excludes earnings reinvested by foreign subsidiaries of United States companies, which have averaged about 800 million dollars annually since 1950.

The largest amount of United States new direct investments continued to be made in Canada. However, direct investments in Latin America and "other" areas, chiefly the Middle East countries, were also of considerable importance. Most of the funds were placed in petroleum and manufacturing industries.

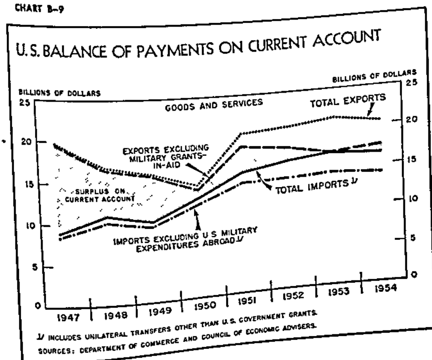
United States investors in 1954 increased their portfolio investments in Canada and in the obligations of international institutions, while their portfolio investments in other areas showed a decline.

During the year, net foreign direct investments in the United States and net purchases of United States securities, other than government securities, not shown in Table B–25, are estimated at 200 million dollars.

## United States Balance of Payments

There was little change between 1953 and 1954 in the export balance on goods and services of the United States when military-aid shipments are included with United States exports, and military expenditures abroad are treated as United States imports (Chart B–9). However, it is estimated,

CHART B–9



Appendix C

# REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 1954

# Letter of Transmittal

DECEMBER 23, 1954.

ceport for
Congress,

as set forth in Section 4 (d) of the Employment Act of 1946.

Respectfully,

ARTHUR F. BURNS, *Chairman.*
NEIL H. JACOBY.
WALTER W. STEWART.

# Report to the President on the Activities of the Council of Economic Advisers During 1954

The Employment Act of 1946, declaring it to be the continuing policy and responsibility of the Federal Government to promote maximum employment, production, and purchasing power, established the Council of Economic Advisers within the Executive Office of the President. In its relation to the President, the Council functions in the economic realm in many respects as the Joint Chiefs of Staff function in military matters.

While the Council is merely one of numerous agencies within the Executive Branch that deal with economic affairs, it is unique in that it is a purely advisory agency, without routine administrative duties of any sort. The Council gives its undivided attention to analyzing how the entire economy is faring, to exploring ways and means of adding to its strength, and to advising the President on appropriate economic policies.

*Major Activities During the Year*

The Council assisted the President in the preparation of his Economic Report to the Congress, transmitted January 28, 1954. Since this was the first Economic Report of the present Administration, it was important that it describe fully how the Administration proposed to promote maximum employment, production, and purchasing power. Accordingly, the Report analyzed the proper role of the Government in working toward these objectives, diagnosed the existing economic situation, and set forth recommendations of the legislation needed to attain the objectives stated in the Employment Act. Following the transmittal of the Report to the Congress, the Chairman of the Council met with the Joint Committee on the Economic Report to discuss the findings and recommendations of the Report.

The Council continued the task of reviewing economic trends and the Federal Government's economic programs and policies. Special attention was given to ways of marshalling the forces of recovery and to stimulating the long-term expansion of the economy. The Council also assisted the President in planning and preparing the Economic Report to be transmitted in January 1955.

A representative of the Council, generally the Chairman, reported personally to the President on economic matters once a week, sometimes more often. A representative of the Council also appeared regularly at Cabinet meetings to present the Council's thinking about the state of the economy and ways of dealing with the changing economic situation.

*Need for Improving Economic Intelligence*

In view of the heavy responsibilities assumed by the Federal Government under the Employment Act, the Council has called to the personal attention of the President, as well as of the Cabinet and Congressional Committees, the need for improving our economic intelligence.

The Council has urged various statistical agencies of the Federal Government to accelerate the reporting of economic information. Notable progress has been made in timely reporting of changes in employment, hours and earnings of nonagricultural workers, retail sales, exports and imports, and industrial production.

In its efforts to improve economic information, as well as in other matters, the Council has worked closely with the Joint Committee on the Economic Report. In response to a request by the Joint Committee's Subcommittee on Economic Statistics, the Council submitted a memorandum on four categories of statistical needs: more prompt and frequent reporting, desirable improvements of existing data, desirable improvements in their presentation, and desirable additions to existing information. The Chairman of the Council supplemented this memorandum with personal testimony before the Committee, which was published in hearings before the Subcommittee on Economic Statistics of the Joint Committee on the Economic Report, Eighty-Third Congress, Second Session, July 12 and 13, 1954.

In cooperation with the Joint Committee, the Council also undertook a review of *Economic Indicators*, which is a monthly statistical compendium prepared by the Council and issued by the Committee. In the course of this appraisal, the Council and the Joint Committee received the benefit of suggestions from business and labor organizations and from professional economists in universities, government, and private research agencies. The review disclosed that *Economic Indicators* could be readily improved in a number of ways. Some improvements have already been put into effect, and others will follow shortly.

*Public Works Planning*

At the President's request, the Council extended its activity in the field of public works planning. With the aid of a special appropriation from the Congress, a Coordinator of Public Works Planning was appointed to the Council's staff and authorized to recruit a small group of experts on public works. Among other accomplishments, considerable progress has been made by this unit toward devising a system of cataloguing information on all Federal, State, and local public works projects under serious consideration, showing the type of project, its location, estimated cost, financing status, stage of planning, and how soon construction could be started if funds were available. As a result of the work of this unit, the Federal Government is better prepared than previously to accelerate public construction, if the need for doing so should arise.

*Advisory Board on Economic Growth and Stability*

The Council has received continuing valuable assistance from the Advisory Board on Economic Growth and Stability. This Board, established by the President in mid-1953, assures close liaison between the Council and government agencies that have administrative responsibility for various economic programs. It also provides the Council with timely information and advice on a wide range of current economic issues. The exchange of views that takes place at the Board's weekly meetings is of great help to the Council in its deliberations and in the preparation of its reports to the President and the Cabinet.

The present membership of the Board is as follows:

- Department of Agriculture—True D. Morse, Under Secretary
- Department of Commerce—Walter Williams, Under Secretary
- Department of Labor—Arthur Larson, Under Secretary
- Department of State—Samuel Waugh, Assistant Secretary
- Department of the Treasury—Marion B. Folsom, Under Secretary
- Board of Governors of the Federal Reserve System—Abbot L. Mills, Member of the Board
- Bureau of the Budget—Donald R. Belcher, Assistant Director
- The White House Office—Gabriel Hauge, Administrative Assistant to the President
- Council of Economic Advisers—Arthur F. Burns, Chairman

*Work with Other Agencies*

[illegible] Council, Operations Coordinating Board, Defense Mobilization Board, and National Advisory Council on International Financial and Monetary Probl[illegible]

[illegible] the financial system.

Most government agencies have participated, one way or another, in the Council's work. Many have prepared special tabulations and made comprehensive analyses at the request of the Council. In particular, the Council has been aided by the reports it has received on how long-term [illegible] may be promoted. More than

[illegible] and the Auxiliary Staff Committee, which [illegible] Board on Economic Growth and Stability.

Private research agencies have shown no less willingness than government agencies to assist the Council in carrying out its responsibilities. Two of

these, the National Bureau of Economic Research and the Brookings Institution, have arranged conferences with professional economists for the benefit of the Council. In addition to assuming the burden of making detailed arrangements for such conferences, these institutions have paid all costs incident to them.

In conformity with Section 4 (e) of the Employment Act, the Council has met frequently with business, labor, and agricultural groups. These exchanges of views on economic policies and developments have proved very helpful to the Council.

*Other Activities*

Mr. Neil H. Jacoby participated in two meetings, held in Paris, of the Organization of European Economic Cooperation and associated countries. The first, in April, was a meeting of experts to exchange views on economic conditions and prospects. The second meeting, in September, considered in addition the written submission to the OEEC on United States economic developments and outlook, which had been prepared by the Council.

Members of the Council's staff participated in training conferences and seminars held by other government agencies for new employees and visiting foreign experts. Staff members also served on a number of interagency committees initiated by other agencies.

The Council handled a large volume of correspondence on economic questions, some of which was received directly but a considerable part of which was referred by other agencies and by the White House.

*The Council and Its Staffing*

On February 5, 1954, the Senate confirmed the President's recess appointments of two members of the Council, Mr. Neil H. Jacoby and Mr. Walter W. Stewart. Mr. Jacoby had been serving since September 15, 1953, and Mr. Stewart since December 2, 1953.

A number of changes were made in the Council's staff during the year. Five experts who had joined the staff from university faculties, with the understanding that they would remain with the Council for not more than one year, returned to their teaching posts. These men were replaced and several additions to the senior staff were also made. The rebuilding of the staff, which the Council began after it was reconstituted last year, is now largely completed.

At present, the full staff, including detailed personnel and consultants, consists of 34 persons. The following are members of the senior staff: Asher Achinstein, John S. Bragdon, Lowell J. Chawner, George H. Deming, Karl A. Fox, Bert G. Hickman, Frances M. James, E. Gordon Keith, David W. Lusher, John A. Meek, Joseph A. Pechman, Albert E. Rees, Virgil Salera, Raymond J. Saulnier, Charles L. Schultze, Irving H. Siegel, and Collis Stocking.

As previously, staff assignments are made by the Council so that developments in every major field embraced by the Council's responsibilities—industrial production, agriculture, construction work, employment and

unemployment, wages and prices, the national income and its distribution, money and banking, public finance, international trade and finance, technological developments, business organization, social security, public works planning, etc.—are under the scrutiny of a senior staff member. Each of these experts is responsible for eliciting the cooperation of governmental and private specialists in analyzing and evaluating the significance of current developments in the field assigned to him.

*Budget for Fiscal Years 1954 and 1955*

During fiscal year 1954, the Council's obligations (including $6,034 for the office of the Economic Adviser to the President from July 1 to August 1) were $242,520. The appropriation made available to the Council for this period was $308,020.

The Council requested $360,000 for fiscal year 1955. Of this amount, $35,000 was for a Coordinator of Public Works Planning and members of his staff. The Congress appropriated $285,000, plus the unobligated balance from the preceding year's appropriation. Since this balance came to $65,500, the Council has $350,500 at its disposal for the current fiscal year.

# Appendix D

## STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION

CONTENTS





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TABLE D-1.—*Gross national product or expenditure, 1929–54*

[Billions of dollars]

| Period | Total gross national product | Personal consumption expenditures [1] | Gross private domestic investment [2]: Total | New construction: Total | New construction: Residential (nonfarm) | New construction: Other | Producers' durable equipment | Net change in business inventories | Net foreign investment | Government purchases of goods and services: Total | Federal: Total | Federal: National security [3] | Federal: Other | Federal: Less Government sales | State and local |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 104.4 | 79.0 | 16.2 | 8.7 | 3.6 | 5.1 | 5.8 | +1.7 | 0.8 | 8.5 | 1.3 | (4) | (4) | (4) | 7.2 |
| 1930 | 91.1 | 71.0 | 10.3 | 6.2 | 2.1 | 4.1 | 4.5 | −.4 | .7 | 9.2 | 1.4 | (4) | (4) | (4) | 7.8 |
| 1931 | 76.3 | 61.3 | 5.5 | 4.0 | 1.6 | 2.4 | 2.8 | −1.3 | .2 | 9.2 | 1.5 | (4) | (4) | (4) | 7.7 |
| 1932 | 58.5 | 49.3 | .9 | 1.9 | .6 | 1.2 | 1.6 | −2.6 | .2 | 8.1 | 1.5 | (4) | (4) | (4) | 6.6 |
| 1933 | 56.0 | 46.4 | 1.4 | 1.4 | .5 | 1.0 | 1.6 | −1.6 | .2 | 8.0 | 2.0 | (4) | (4) | (4) | 6.0 |
| 1934 | 65.0 | 51.9 | 2.9 | 1.7 | .6 | 1.1 | 2.3 | −1.1 | .4 | 9.8 | 3.0 | (4) | (4) | (4) | 6.8 |
| 1935 | 72.5 | 56.3 | 6.3 | 2.3 | 1.0 | 1.3 | 3.1 | .9 | −.1 | 10.0 | 2.9 | (4) | (4) | (4) | 7.1 |
| 1936 | 82.7 | 62.6 | 8.4 | 3.3 | 1.6 | 1.7 | 4.2 | 1.0 | −.1 | 11.8 | 4.8 | (4) | (4) | (4) | 7.0 |
| 1937 | 90.8 | 67.3 | 11.7 | 4.4 | 1.9 | 2.5 | 5.1 | 2.2 | .1 | 11.7 | 4.6 | (4) | (4) | (4) | 7.2 |
| 1938 | 85.2 | 64.6 | 6.7 | 4.0 | 2.0 | 2.0 | 3.6 | −.9 | 1.1 | 12.8 | 5.3 | (4) | (4) | (4) | 7.5 |
| 1939 | 91.1 | 67.6 | 9.3 | 4.8 | 2.7 | 2.1 | 4.2 | .4 | .9 | 13.3 | 5.2 | 1.3 | 3.9 | (4) | 8.2 |
| 1940 | 100.6 | 71.9 | 13.2 | 5.5 | 3.0 | 2.5 | 5.5 | 2.2 | 1.5 | 14.1 | 6.2 | 2.2 | 4.0 | (4) | 7.9 |
| 1941 | 125.8 | 81.9 | 18.1 | 6.6 | 3.5 | 3.1 | 6.9 | 4.5 | 1.1 | 24.8 | 16.9 | 13.8 | 3.2 | (4) | 7.8 |
| 1942 | 159.1 | 89.7 | 9.9 | 3.7 | 1.7 | 2.0 | 4.3 | 1.8 | −.2 | 59.7 | 52.0 | 49.6 | 2.7 | 0.2 | 7.7 |
| 1943 | 192.5 | 100.5 | 5.6 | 2.3 | .9 | 1.4 | 4.0 | −.8 | −2.2 | 88.6 | 81.2 | 80.4 | 1.5 | .6 | 7.4 |
| 1944 | 211.4 | 109.8 | 7.1 | 2.7 | .8 | 1.9 | 5.4 | −1.0 | −2.1 | 96.5 | 89.0 | 88.6 | 1.6 | 1.2 | 7.5 |
| 1945 | 213.6 | 121.7 | 10.4 | 3.8 | 1.1 | 2.7 | 7.7 | −1.1 | −1.4 | 82.9 | 74.8 | 75.9 | 1.0 | 2.2 | 8.1 |
| 1946 | 209.2 | 146.6 | 27.1 | 10.3 | 4.0 | 6.3 | 10.7 | 6.1 | 4.6 | 30.9 | 20.9 | 21.2 | 2.5 | 2.7 | 10.0 |
| 1947 | 232.2 | 165.0 | 29.7 | 14.0 | 6.3 | 7.7 | 16.7 | −1.0 | 8.9 | 28.6 | 15.8 | 13.3 | 3.8 | 1.3 | 12.8 |
| 1948 | 257.3 | 177.6 | 41.2 | 17.9 | 8.6 | 9.3 | 19.1 | 4.2 | 2.0 | 36.6 | 21.0 | 16.0 | 5.6 | .5 | 15.6 |
| 1949 | 257.3 | 180.6 | 32.5 | 17.5 | 8.3 | 9.2 | 17.8 | −2.7 | .5 | 43.6 | 25.4 | 19.3 | 6.6 | .4 | 18.2 |
| 1950 | 285.1 | | | | | | | | | | | | | .3 | 19.9 |
| 1951 | 328.2 | | | | | | | | | | | | | .4 | 21.8 |
| 1952 | 346.1 | | | | | | | | | | | | | .4 | 23.2 |
| 1953 | 364.9 | | | | | | | | | | | | | .4 | 25.1 |
| 1954 [5] | 357.1 | | | | | | | | | | | | | .3 | 27.5 |
| **Seasonally adjusted annual rates** | | | | | | | | | | | | | | | |
| 1952: First half | 365.8 | 229.7 | 53.9 | 25.4 | 12.0 | 13.5 | 24.4 | 4.1 | −2.6 | 84.8 | 60.2 | 52.6 | 8.0 | 0.4 | 24.6 |
| Second half | 363.6 | 230.4 | 49.0 | 25.6 | 11.9 | 13.7 | 24.4 | −1.1 | −1.2 | 85.7 | 60.0 | 51.4 | 9.0 | .4 | 25.7 |
| 1954: First half | 355.9 | 231.8 | 45.0 | 26.5 | 12.2 | 14.2 | 22.6 | −4.0 | −1.0 | 80.1 | 53.1 | 45.8 | 7.6 | .3 | 27.0 |
| Second half [5] | 358.2 | 236.2 | 47.2 | 28.7 | 14.4 | 14.2 | 21.7 | −3.2 | −.1 | 75.0 | 47.0 | 41.4 | 5.9 | .2 | 28.0 |
| 1953: First quarter | 361.8 | 228.6 | 51.9 | 25.0 | 11.7 | 13.3 | 24.1 | 2.8 | −1.8 | 83.0 | 58.1 | 51.0 | 7.7 | .5 | 24.9 |
| Second quarter | 369.9 | 230.8 | 55.9 | 25.9 | 12.2 | 13.7 | 24.6 | 5.4 | −3.3 | 86.6 | 62.2 | 54.3 | 8.3 | .4 | 24.4 |
| Third quarter | 367.2 | 231.2 | 52.4 | 25.6 | 12.1 | 13.5 | 24.8 | 2.0 | −1.8 | 85.4 | 60.3 | 52.3 | 8.4 | .4 | 25.1 |
| Fourth quarter | 360.5 | 229.7 | 45.5 | 25.7 | 11.7 | 13.9 | 24.0 | −4.2 | −.6 | 86.0 | 59.8 | 50.6 | 9.6 | .3 | 26.2 |
| 1954: First quarter | 355.8 | 230.5 | 44.5 | 26.0 | 11.7 | 14.3 | 22.7 | −4.2 | −1.1 | 81.9 | 55.0 | 46.9 | 8.4 | .3 | 26.9 |
| Second quarter | 356.0 | 233.1 | 45.6 | 27.0 | 12.9 | 14.2 | 22.4 | −3.8 | −1.0 | 78.3 | 51.3 | 44.7 | 6.9 | .3 | 27.0 |
| Third quarter | 355.5 | 234.8 | 45.3 | 28.3 | 14.0 | 14.2 | 21.8 | −4.8 | −.2 | 75.6 | 47.9 | 42.1 | 6.1 | .2 | 27.7 |
| Fourth quarter [5] | 361.0 | 237.5 | 49.2 | 29.1 | 14.8 | 14.3 | 21.6 | −1.5 | .0 | 74.3 | 46.1 | 40.6 | 5.7 | .2 | 28.2 |

Source: Department of Commerce

## TABLE D-2.—*Gross national product or expenditure in 1954 prices, 1929–54* [1]

[Billions of dollars, 1954 prices]

| Period | Total gross national product | Personal consumption expenditures: Total | Personal consumption expenditures: Durable goods | Personal consumption expenditures: Nondurable goods | Personal consumption expenditures: Services | Gross private domestic investment: Total | New construction: Total | New construction: Residential (nonfarm) | New construction: Other | Producers' durable equipment | Change in business inventories |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 181.0 | 127.4 | 14.6 | 66.4 | 46.5 | 34.9 | 20.9 | 8.7 | 12.2 | 11.2 | 2.8 |
| 1930 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 10.3 | 8.9 | −.6 |
| 1931 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4.2 | 6.6 | 6.0 | −1.6 |
| 1932 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 2.1 | 3.9 | 3.6 | −5.2 |
| 1933 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.6 | 3.0 | 3.7 | −4.5 |
| 1934 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.9 | 3.2 | 5.1 | −3.0 |
| 1935 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.1 | 3.6 | 6.8 | 2.8 |
| 1936 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4.6 | 4.8 | 9.3 | 2.0 |
| 1937 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.0 | 6.3 | 10.6 | 5.9 |
| 1938 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 6.0 | 7.3 | −1.8 |
| 1939 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.8 | 5.3 | 8.6 | .9 |
| 1940 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.3 | 6.3 | 11.0 | 4.2 |
| 1941 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.8 | 7.4 | 12.9 | 8.2 |
| 1942 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.6 | 4.2 | 7.5 | 2.9 |
| 1943 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.7 | 2.6 | 6.9 | −1.2 |
| 1944 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.4 | 3.3 | 9.1 | −1.4 |
| 1945 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.8 | 4.7 | 12.7 | −1.7 |
| 1946 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.1 | 10.0 | 16.1 | 9.2 |
| 1947 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.9 | 10.2 | 21.9 | −.3 |
| 1948 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 9.6 | 11.1 | 23.2 | 5.1 |
| 1949 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 9.5 | 10.8 | 20.7 | −3.4 |
| 1950 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.0 | 7.9 |
| 1951 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.2 | 9.2 |
| 1952 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.0 | 3.2 |
| 1953 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.6 | 1.1 |
| 1954 [2] | [illegible] | [illegible] | [illegible] | [illegible] | 84.5 | 46.1 | 27.6 | 13.4 | 14.3 | 22.1 | −3.6 |

See footnotes at end of table.

TABLE D-2.—*Gross national product or expenditure in 1954 prices, 1929–54* [1]—Continued

[Billions of dollars, 1954 prices]

| Period | Net foreign investment | Government purchases of goods and services: Total | Federal: Total [3] | Federal: National security [3] | Federal: Other | State and local |
|---|---|---|---|---|---|---|
| 1929 | 0.8 | 18.2 | 2.7 | (4) | (4) | 15.4 |
| 1930 | .3 | 20.2 | 3.1 | (4) | (4) | 17.1 |
| 1931 | −.2 | 21.2 | 3.4 | (4) | (4) | 17.9 |
| 1932 | −.3 | 20.1 | 3.5 | (4) | (4) | 16.6 |
| 1933 | −.7 | 19.5 | 4.9 | (4) | (4) | 14.6 |
| 1934 | −.3 | 22.4 | 6.6 | (4) | (4) | 15.9 |
| 1935 | −1.6 | 22.7 | 6.3 | (4) | (4) | 16.4 |
| 1936 | −1.8 | 26.1 | 9.6 | (4) | (4) | 16.5 |
| 1937 | −1.5 | 25.3 | 9.1 | (4) | (4) | 16.2 |
| 1938 | 1.1 | 28.3 | 11.1 | (4) | (4) | 17.2 |
| 1939 | .5 | 29.5 | 10.4 | 2.6 | 7.8 | 19.0 |
| 1940 | 1.3 | 30.7 | 12.8 | 4.5 | 8.3 | 17.9 |
| 1941 | −.3 | 45.9 | 29.1 | 23.8 | 5.5 | 16.7 |
| 1942 | −2.5 | 97.3 | 82.2 | 78.4 | 4.3 | 15.1 |
| 1943 | −6.1 | 134.6 | 121.0 | 119.8 | 2.2 | 13.6 |
| 1944 | −6.1 | 149.5 | 136.2 | 135.7 | 2.5 | 13.3 |
| 1945 | −5.0 | 127.2 | 113.6 | 115.3 | 1.5 | 13.5 |
| 1946 | 4.0 | 41.6 | 26.3 | 26.7 | 3.1 | 15.4 |
| 1947 | 8.3 | 35.9 | 18.3 | 15.4 | 4.4 | 17.6 |
| 1948 | .7 | 43.5 | 24.2 | 18.4 | 6.5 | 19.3 |
| 1949 | −.6 | 50.2 | 28.2 | 21.4 | 7.3 | 22.0 |
| 1950 | −3.0 | 47.6 | 23.8 | 19.9 | 4.2 | 23.7 |
| 1951 | .6 | 63.8 | 39.7 | 36.1 | 4.1 | 24.1 |
| 1952 | −.3 | 77.4 | 53.0 | 47.6 | 5.7 | 24.4 |
| 1953 | −2.6 | 86.1 | 60.4 | 52.3 | 8.5 | 25.7 |
| 1954 [5] | −.6 | 77.5 | 50.1 | 43.6 | 6.8 | 27.5 |

[4] Not available separately.
[5] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Council of Economic Advisers.

TABLE D-2.—*Gross national product or expenditure in 1954 prices, 1929–54* [1] [2]

[Billions of dollars, 1954 prices]

| Period | Total gross national product | Personal consumption expenditures | | | | Gross private domestic invest[illegible] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Durable goods | Nondurable goods | Services | Total | New construction | | | Producers' durable equipment |
| | | | | | | | Total | Residential (nonfarm) | Other | |
| 1929 | 181.0 | 127.4 | 14.6 | 66.4 | 46.5 | 24.9 | 20.9 | 8.7 | 12.2 | 11.2 |
| 1930 | 164.3 | 120.1 | 11.8 | 63.1 | 45.1 | 23.7 | 15.4 | 5.1 | 10.3 | 8.9 |
| 1931 | 152.8 | 116.6 | 10.1 | 62.9 | 43.5 | 15.2 | 10.8 | 4.2 | 6.6 | 8.0 |
| 1932 | 130.0 | 105.9 | 7.7 | 57.9 | 40.3 | 4.3 | 6.0 | 2.1 | 3.9 | 3.6 |
| 1933 | 125.8 | 103.2 | 7.5 | 56.2 | 39.5 | 3.8 | [illegible] | 1.6 | 3.0 | 3.7 |
| 1934 | 138.1 | 108.8 | 8.5 | 60.0 | [illegible] | [illegible] | [illegible] | 1.9 | 3.2 | 4.1 |
| 1935 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.1 | 3.6 | 6.8 |
| 1936 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4.6 | 4.8 | 9.3 |
| 1937 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.0 | 6.3 | 10.6 |
| 1938 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 5.0 | 7.2 |
| 1939 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.8 | 5.3 | 8.6 |
| 1940 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.3 | 6.3 | 11.0 |
| 1941 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.8 | 7.4 | 12.9 |
| 1942 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.8 | 3.6 | 4.2 | 7.5 |
| 1943 | [illegible] | [illegible] | [illegible] | [illegible] | 53.9 | 10.0 | 4.4 | 1.7 | 2.6 | 6.9 |
| 1944 | [illegible] | [illegible] | 8.8 | 96.3 | 66.1 | 12.4 | 4.7 | 1.4 | 3.3 | 9.1 |
| 1945 | 311.8 | 172.2 | 10.0 | 103.6 | 58.6 | 17.5 | 6.5 | 1.8 | 4.7 | 12.7 |
| 1946 | 279.3 | 192.2 | 19.3 | 109.1 | 63.9 | 41.3 | 16.0 | 6.1 | 10.0 | 16.1 |
| 1947 | 279.3 | 195.3 | 23.0 | 106.4 | 65.9 | 39.8 | 18.2 | [illegible] | [illegible] | 21.9 |
| 1948 | 292.4 | 199.1 | 23.8 | 106.6 | 68.7 | [illegible] | [illegible] | [illegible] | [illegible] | 23.2 |
| 1949 | 291.4 | 204.2 | 25.1 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 20.7 |
| 1950 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.0 |
| 1951 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.2 |
| 1952 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.0 |
| 1953 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 13.9 | 24.6 |
| 1954 [4] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 13.4 | 14.3 | 22.1 |

See footnotes at end of table.

TABLE D-2.—*Gross national product or expenditure in 1954 prices, 1929–54* [1]—Continued

[Billions of dollars, 1954 prices]

| Period | Net foreign investment | Government purchases of goods and services: Total | Federal: Total [2] | Federal: National security [3] | Federal: Other | State and local |
|---|---|---|---|---|---|---|
| [illegible] | 0.5 | 18.2 | 2.7 | (4) | (4) | 15.4 |
| [illegible] | .3 | 20.2 | 3.1 | (4) | (4) | 17.1 |
| [illegible] | -.3 | 21.2 | 3.4 | (4) | (4) | 17.9 |
| [illegible] | -.3 | 21.1 | 3.5 | (4) | (4) | 16.6 |
| [illegible] | -.7 | 19.5 | 4.9 | (4) | (4) | 14.6 |
| [illegible] | -.3 | 22.4 | 6.6 | (4) | (4) | 15.9 |
| [illegible] | -1.6 | 22.7 | 6.3 | (4) | (4) | 16.4 |
| [illegible] | -1.8 | 26.1 | 9.6 | (4) | (4) | 16.5 |
| [illegible] | -1.3 | 25.3 | 9.1 | (4) | (4) | 16.2 |
| [illegible] | 1.1 | 23.3 | 11.1 | (4) | (4) | 17.2 |
| [illegible] | .6 | 22.5 | 13.4 | 2.4 | 7.8 | 12.0 |
| [illegible] | 1.3 | 30.7 | 12.8 | 4.5 | 8.2 | 17.9 |
| [illegible] | -.3 | 45.8 | 29.1 | 22.8 | 4.8 | 16.7 |
| [illegible] | -2.5 | 97.3 | 82.3 | 78.4 | 4.2 | 15.1 |
| [illegible] | -6.1 | 124.6 | 121.0 | 119.5 | 2.7 | 12.6 |
| [illegible] | -6.1 | 147.5 | 136.2 | 133.7 | 2.5 | 12.3 |
| [illegible] | -3.0 | 127.3 | 112.6 | 115.2 | 1.8 | 12.5 |
| [illegible] | 4.0 | 41.8 | 28.1 | 20.7 | 3.1 | 13.4 |
| [illegible] | 8.2 | 35.9 | 16.2 | 13.4 | 4.4 | 17.6 |
| [illegible] | .7 | 43.5 | 24.2 | 18.4 | 6.5 | 19.2 |
| [illegible] | -.6 | 51.2 | 28.2 | 22.4 | 7.3 | 22.0 |
| 1950 | [illegible] | 47.5 | 23.8 | 19.9 | 4.2 | 23.7 |
| 1951 | -3.0 | [illegible] | [illegible] | [illegible] | 4.1 | 24.1 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

[4] Not available separately.

[5] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Council of Economic Advisers.

TABLE D-2.—*Gross national product or expenditure in 1954 prices,*

[Billions of dollars, 1954 prices]

| Period | Total gross national product | Personal consumption expenditures | | | | Gross private dom[illegible] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Durable goods | Non-durable goods | Services | Total | New construct[illegible] | | | |
| | | | | | | | Total | Residential (nonfarm) | Othe[illegible] | [illegible] |
| 1929 | 181.0 | 127.4 | 14.6 | 66.4 | [illegible] | [illegible] | [illegible] | 8.7 | 12.2 | |
| 1930 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 10.3 | |
| 1931 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4.7 | 6.6 | |
| 1932 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 2.1 | 3.9 | |
| 1933 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.6 | 3.0 | |
| 1934 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.9 | 3.2 | |
| 1935 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.1 | 3.6 | |
| 1936 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4.6 | 4.8 | |
| 1937 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.0 | 6.3 | [illegible] |
| 1938 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 5.0 | |
| 1939 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.8 | 5.3 | [illegible] |
| 1940 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.3 | 6.3 | 11 |
| 1941 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.8 | 7.4 | 12 |
| 1942 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.6 | 4.2 | 7 |
| 1943 | [illegible] | [illegible] | [illegible] | [illegible] | 53.9 | 10.0 | 7.8 | 1.7 | 2.6 | 8. |
| 1944 | [illegible] | [illegible] | 6.8 | 96.[illegible] | [illegible] | [illegible] | [illegible] | 1.4 | 3.3 | 9 |
| 1945 | 311.8 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.8 | 4.7 | 12.[illegible] |
| 1946 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 10.[illegible] | 16.1 |
| 1947 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 21.9 |
| 1948 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 23.2 |
| 1949 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 20.7 |
| 1950 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.0 |
| 1951 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.2 |
| 1952 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 24.0 |
| 1953 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 13.9 | 24.6 |
| 1954[3] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 13.4 | 14.3 | 22.1 |

See footnotes at end of table.

TABLE D-4.—*Gross private and government product in current and 1954 prices, 1929–54*

[Billions of dollars]

| Year | Current prices | | | | | 1954 prices | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total gross national product | Gross private product [1] | | | Gross government product [3] | Total gross national product | Gross private product [1] | | | Gross government product [3] |
| | | Total | Farm [2] | Nonfarm | | | Total | Farm [2] | Nonfarm | |
| 1929 | 104.4 | 100.1 | 9.8 | 90.3 | 4.3 | 181.0 | 171.7 | 16.7 | 155.0 | 9.3 |
| 1930 | 91.1 | 86.6 | 7.7 | 78.8 | 4.5 | 164.2 | 154.5 | 15.4 | 139.1 | 9.8 |
| 1931 | 76.3 | 71.6 | 6.2 | 65.4 | 4.7 | 152.8 | 142.9 | 18.0 | 124.9 | 9.9 |
| 1932 | 58.5 | 54.0 | 4.4 | 49.6 | 4.4 | 130.0 | 120.3 | 17.1 | 103.2 | 9.7 |
| 1933 | 56.0 | 51.3 | 4.6 | 46.7 | 4.7 | 125.8 | 115.2 | 16.2 | 99.0 | 10.6 |
| 1934 | 65.0 | 59.4 | 4.3 | 55.1 | 5.6 | 138.1 | 125.6 | 13.4 | 112.2 | 12.5 |
| 1935 | 72.3 | 66.8 | 6.9 | 59.6 | 5.9 | 153.0 | 139.6 | 17.2 | 122.4 | 13.4 |
| 1936 | 82.7 | 75.5 | 6.3 | 69.2 | 7.3 | 172.5 | 156.5 | 13.9 | 142.6 | 16.0 |
| 1937 | 90.8 | 83.9 | 8.1 | 75.8 | 6.9 | 183.7 | 168.8 | 18.7 | 150.1 | 14.9 |
| 1938 | 85.2 | 77.6 | 6.7 | 70.9 | 7.6 | 175.2 | 159.0 | 18.3 | 140.7 | 16.2 |
| 1939 | 91.1 | 83.5 | 6.5 | 77.0 | 7.6 | 189.4 | 173.0 | 18.1 | 154.9 | 16.3 |
| 1940 | 100.6 | 92.8 | 6.8 | 86.0 | 7.8 | 205.9 | 188.8 | 18.0 | 170.8 | 17.1 |
| 1941 | 125.8 | 116.4 | 9.4 | 107.0 | 9.4 | 238.7 | 215.1 | 19.3 | 195.8 | 23.7 |
| 1942 | 159.1 | 144.0 | 13.4 | 130.6 | 15.1 | 264.7 | 232.0 | 21.4 | 210.6 | 32.7 |
| 1943 | 192.5 | 167.0 | 15.3 | 151.7 | 25.6 | 294.3 | 241.8 | 19.5 | 222.3 | 52.5 |
| 1944 | 211.4 | 179.2 | 15.7 | 163.5 | 32.2 | 317.1 | 256.3 | 20.2 | 236.1 | 60.8 |
| 1945 | 213.6 | 178.4 | 16.2 | 162.2 | 35.2 | 311.8 | 252.4 | 19.1 | 233.3 | 59.4 |
| 1946 | 209.2 | 188.5 | 18.8 | 169.7 | 20.7 | 279.3 | 249.6 | 20.0 | 229.6 | 29.7 |
| 1947 | 232.2 | 215.6 | 20.6 | 195.0 | 16.7 | 279.3 | 257.3 | 18.3 | 239.0 | 21.9 |
| 1948 | 257.3 | 240.0 | 23.7 | 216.2 | 17.4 | 292.4 | 270.5 | 21.9 | 248.6 | 21.9 |
| 1949 | 257.3 | 238.0 | 20.1 | 217.8 | 19.3 | 291.4 | 268.4 | 20.1 | 248.3 | 23.0 |
| 1950 | 285.1 | 264.3 | 21.1 | 243.1 | 20.8 | 318.5 | 294.8 | 21.5 | 273.3 | 23.8 |
| 1951 | 328.2 | 301.0 | 24.6 | 276.4 | 27.2 | 340.2 | 309.9 | 20.2 | 289.7 | 30.3 |
| 1952 | 346.1 | 315.1 | 23.3 | 291.8 | 31.0 | 353.2 | 320.4 | 20.4 | 300.0 | 32.8 |
| 1953 | 364.9 | 333.4 | 21.7 | 311.8 | 31.4 | 368.5 | 336.0 | 21.1 | 314.9 | 32.5 |
| 1954 [4] | 357.1 | 325.4 | 21.3 | 304.1 | 31.6 | 357.1 | 325.4 | 21.3 | 304.1 | 31.6 |

...sions cover only a nominal part of operating costs, are part of general government activities.

[4] Preliminary.

Note.—Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE D-5.—*The Nation's income, expenditure, and saving, 1952-54*

[Billions of dollars]

| Economic group | 1952 | | | 1953 | | | 1954 [1] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Receipts | Expenditures | Excess of receipts (+) or expenditures (−) | Receipts | Expenditures | Excess of receipts (+) or expenditures (−) | Receipts | Expenditures | Excess of receipts (+) or expenditures (−) |
| Consumers: | | | | | | | | | |
| Disposable personal income | 236.9 | | | 250.1 | | | 253.6 | | |
| Personal consumption expenditures | | 218.4 | | | 230.1 | | | 234.6 | |
| Personal net saving (+) | | | 18.4 | | | 20.0 | | | 19.( |
| Business: | | | | | | | | | |
| Gross retained earnings | 34.3 | | | 33.1 | | | 37.3 | | |
| Gross private domestic investment | | 50.7 | | | 51.4 | | | 46.1 | |
| Excess of investment (−) | | | −16.3 | | | −18.3 | | | −8. |
| International: | | | | | | | | | |
| Net foreign investment | | −.2 | | | −1.9 | | | −.6 | |
| Excess of receipts (+) or investment (−) | | | .2 | | | 1.9 | | | [illegible] |
| Government (Federal, State, and local): | | | | | | | | | |
| Tax and nontax receipts or accruals | 91.1 | | | 95.9 | | | 90.1 | | |
| Less: Transfers, interest, and subsidies (net) | 16.7 | | | 17.3 | | | 19.9 | | |
| Net receipts | 74.3 | | | 78.6 | | | 70.2 | | |
| Total government expenditures | | 93.9 | | | 102.5 | | | 97.4 | |
| Less: Transfers, interest, and subsidies (net) | | 16.7 | | | 17.3 | | | 19.9 | |
| Purchases of goods and services | | 77.2 | | | 85.2 | | | 77.5 | |
| Surplus (+) or deficit (−) on income and product account | | | −2.8 | | | −6.6 | | | −7.2 |
| Statistical discrepancy | .6 | | .6 | 1.0 | | 1.0 | −4.0 | | −4.0 |
| Gross national product | 346.1 | 346.1 | | 364.9 | 364.9 | | 357.1 | 357.1 | |

[1] Preliminary estimates by Council of Economic Advisers.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Based on the national income and product statistics of the Department of Commerce (except as noted).

## TABLE D-6.—*Personal consumption expenditures, 1929–54*

[Billions of dollars]

| Period | Total personal consumption expenditures | Durable goods: Total | Durable goods: Automobiles and parts | Durable goods: Other | Nondurable goods: Total | Nondurable goods: Food[1] | Nondurable goods: Clothing[2] | Nondurable goods: Other | Services: Total | Services: Housing[3] | Services: Other |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 79.0 | 9.2 | 3.2 | 6.0 | 37.7 | 19.5 | 9.4 | 8.8 | 32.1 | 11.4 | 20.6 |
| 1930 | 71.0 | 7.3 | 2.2 | 5.0 | 34.0 | 18.0 | 8.0 | 8.0 | 29.8 | 11.0 | 18.8 |
| 1931 | 61.3 | 5.5 | 1.6 | 3.9 | 28.9 | 14.7 | 6.9 | 7.3 | 26.9 | 10.3 | 16.6 |
| 1932 | 49.3 | 3.6 | .9 | 2.7 | 22.8 | 11.4 | 5.1 | 6.3 | 22.9 | 9.0 | 13.9 |
| 1933 | 46.4 | 3.5 | 1.1 | 2.4 | 22.3 | 11.5 | 4.6 | 6.1 | 20.7 | 7.9 | 12.8 |
| 1934 | 51.9 | 4.2 | 1.4 | 2.8 | 26.7 | 14.2 | 5.7 | 6.8 | 21.0 | 7.6 | 13.4 |
| 1935 | 56.3 | 5.1 | 1.9 | 3.2 | 29.3 | 16.2 | 6.0 | 7.1 | 21.9 | 7.6 | 14.3 |
| 1936 | 62.6 | 6.3 | 2.3 | 4.0 | 32.8 | 18.4 | 6.6 | 7.9 | 23.5 | 7.9 | 15.5 |
| 1937 | 67.3 | 6.9 | 2.4 | 4.5 | 35.2 | 19.9 | 6.8 | 8.5 | 25.1 | 8.4 | 16.7 |
| 1938 | 64.6 | 5.7 | 1.6 | 4.1 | 34.0 | 18.9 | 6.8 | 8.3 | 25.0 | 8.8 | 16.3 |
| 1939 | 67.6 | 6.7 | 2.2 | 4.5 | 35.1 | 19.2 | 7.1 | 8.8 | 25.8 | 9.0 | 16.8 |
| 1940 | 71.9 | 7.8 | 2.7 | 5.0 | 37.2 | 20.3 | 7.4 | 9.4 | 26.9 | 9.3 | 17.6 |
| 1941 | 81.9 | 9.7 | 3.4 | 6.3 | 43.2 | 23.6 | 8.8 | 10.8 | 29.0 | 10.0 | 19.0 |
| 1942 | 89.7 | 7.0 | .7 | 6.2 | 51.3 | 28.8 | 11.0 | 11.6 | 31.5 | 10.8 | 20.6 |
| 1943 | 100.5 | 6.6 | .8 | 5.8 | 59.3 | 33.7 | 13.4 | 12.2 | 34.7 | 11.3 | 23.3 |
| 1944 | 109.8 | 6.8 | .8 | 6.0 | 65.4 | 37.4 | 14.6 | 13.3 | 37.7 | 11.9 | 25.8 |
| 1945 | 121.7 | 8.1 | 1.0 | 7.1 | 73.2 | 41.6 | 16.5 | 15.3 | 40.4 | 12.4 | 28.0 |
| 1946 | 146.6 | 15.9 | 3.9 | 12.0 | 84.5 | 48.8 | 18.2 | 17.5 | 46.2 | 13.6 | 32.6 |
| 1947 | 165.0 | 20.6 | 6.3 | 14.3 | 93.1 | 54.2 | 18.8 | 20.1 | 51.3 | 15.4 | 35.9 |
| 1948 | 177.6 | 22.2 | 7.3 | 14.9 | 98.7 | 57.3 | 19.6 | 21.8 | 56.7 | 17.5 | 39.1 |
| 1949 | 180.6 | 23.6 | 9.5 | 14.1 | 98.9 | 56.6 | 18.5 | 21.9 | 60.1 | 19.4 | 40.7 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 43.7 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 46.8 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 50.0 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 53.7 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 55.2 |
| | Seasonally adjusted annual rates | | | | | | | | | | |
| 1953: First half | 229.7 | 30.4 | 13.6 | 16.7 | 119.2 | 71.8 | 20.2 | 27.2 | 80.2 | 27.1 | 53.1 |
| Second half | 230.4 | 29.2 | 12.6 | 16.5 | 118.7 | 71.9 | 19.4 | 27.3 | 82.6 | 28.3 | 54.3 |
| 1954: First half | 231.8 | 28.4 | 12.1 | 16.3 | 119.4 | 72.2 | 19.6 | 27.6 | 84.0 | 29.1 | 54.9 |
| Second half[4] | 236.2 | 29.5 | 12.8 | 16.8 | 121.6 | 74.0 | 19.6 | 28.0 | 85.1 | 29.6 | 55.5 |
| 1953: First quarter | 228.6 | 30.4 | 13.5 | 16.9 | 118.8 | 71.7 | 20.2 | 26.9 | 79.4 | 26.9 | 52.5 |
| *Second quarter* | 230.8 | 30.3 | 13.7 | 16.6 | 119.6 | 72.0 | 20.3 | 27.4 | 80.9 | 27.3 | 53.6 |
| Third quarter | 231.2 | 30.3 | 13.5 | 16.7 | 118.6 | 71.9 | 19.4 | 27.3 | 82.3 | 28.0 | 54.3 |
| Fourth quarter | 229.7 | 28.0 | 11.7 | 16.4 | 118.7 | 71.9 | 19.5 | 27.3 | 84.0 | 28.6 | 54.8 |
| 1954: First quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 54.6 |
| Second quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 55.1 |
| Third quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 55.8 |
| Fourth quarter[4] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 55.7 |

[1] Includes alcoholic beverages.
[2] Includes shoes and standard clothing issued to military personnel.
[3] Includes imputed rental value of owner-occupied dwellings.
[4] Preliminary; fourth quarter by Council of Economic Advisers.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-7.—*Gross private domestic investment, 1929–54*

[Billions of dollars]

| | Total gross private | Nonfarm producers' plant and equipment | | | Farm equipment and construction | | | Residential con- | Other private | Net change in business inventories | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 16.2 | 9.3 | 5.2 | 4.1 | 0.9 | 0.6 | 0.3 | 3.6 | 0.7 | 1.7 | 1.8 | -0.2 |
| 1930 | 10.3 | 7.2 | 4.0 | 3.3 | .7 | .5 | .2 | 2.1 | .7 | -.4 | -.1 | -.3 |
| 1931 | 5.5 | 4.4 | 2.6 | 1.8 | .4 | .3 | .1 | 1.6 | .5 | -1.3 | -1.5 | .3 |
| 1932 | .9 | 2.4 | 1.4 | 1.0 | .2 | .1 | (1) | .5 | .2 | -2.6 | -2.6 | (1) |
| 1933 | 1.4 | 2.2 | 1.3 | .8 | .2 | .1 | (1) | .5 | .1 | -1.6 | -1.4 | -.2 |
| 1934 | 2.9 | 2.9 | 2.1 | .9 | .3 | .3 | .1 | .6 | .1 | -1.1 | .2 | -1.3 |
| 1935 | 6.3 | 3.7 | 2.7 | 1.0 | .5 | .4 | .1 | 1.0 | .1 | .9 | .4 | .4 |
| 1936 | 8.4 | 5.0 | 3.6 | 1.4 | .7 | .5 | .2 | 1.6 | .2 | 1.0 | 2.1 | -1.1 |
| 1937 | 11.7 | 6.5 | 4.5 | 2.1 | .8 | .6 | .2 | 1.9 | .2 | 2.2 | 1.7 | .5 |
| 1938 | 6.7 | 4.7 | 3.1 | 1.5 | .7 | .5 | .2 | 2.0 | .3 | -.9 | -1.0 | .1 |
| 1939 | 9.3 | 5.3 | 3.7 | 1.6 | .7 | .5 | .2 | 2.7 | .3 | .4 | .3 | .1 |
| 1940 | 13.2 | 6.9 | 4.9 | 2.0 | .8 | .6 | .2 | 3.0 | .3 | 2.2 | 1.9 | .3 |
| 1941 | 18.1 | 8.6 | 6.1 | 2.5 | 1.1 | .8 | .3 | 3.5 | .3 | 4.5 | 4.0 | .5 |
| 1942 | 9.9 | 5.3 | 3.7 | 1.6 | .9 | .7 | .3 | 1.7 | .2 | 1.8 | .7 | 1.2 |
| 1943 | 5.6 | 4.6 | 3.5 | 1.1 | .8 | .6 | .3 | .9 | .1 | -.8 | -.6 | -.3 |
| 1944 | 7.1 | 6.2 | 4.7 | 1.5 | 1.0 | .7 | .3 | .8 | .1 | -1.0 | -.6 | -.4 |
| 1945 | 10.4 | 9.2 | 6.9 | 2.3 | 1.0 | .7 | .3 | 1.1 | .2 | -1.1 | -.6 | -.5 |
| 1946 | 27.1 | 14.8 | 10.0 | 4.8 | 1.6 | .7 | .9 | 4.0 | .5 | 6.1 | 6.4 | -.3 |
| 1947 | 29.7 | 20.7 | 15.0 | 5.7 | 3.0 | 1.6 | 1.4 | 6.2 | .7 | -1.0 | 1.3 | -2.3 |
| 1948 | 41.2 | 23.3 | 16.8 | 6.7 | 3.9 | 2.3 | 1.5 | 8.6 | 1.0 | 4.2 | 3.0 | 1.1 |
| 1949 | 32.6 | 21.7 | 15.3 | 6.4 | 4.0 | 2.5 | 1.5 | 8.3 | 1.3 | -2.7 | -1.9 | -.8 |
| 1950 | 51.2 | 25.5 | 18.5 | 7.0 | 4.3 | 2.6 | 1.6 | 12.6 | 1.5 | 7.4 | 6.4 | .9 |
| 1951 | 58.9 | 29.1 | 20.4 | 8.8 | 4.7 | 2.8 | 1.8 | 11.0 | 1.7 | 10.4 | 9.0 | 1.4 |
| 1952 | 50.7 | 29.7 | 20.6 | 9.1 | 4.6 | 2.7 | 1.9 | 11.1 | 1.6 | 3.6 | 3.0 | .7 |
| 1953 | 51.4 | 32.1 | 22.0 | 10.1 | 4.1 | 2.4 | 1.7 | 11.9 | 1.8 | 1.5 | 2.2 | -.7 |
| 1954 [3] | 46.1 | 30.6 | 20.1 | 10.6 | 3.6 | 2.1 | 1.6 | 13.4 | 2.1 | -3.6 | -3.7 | .1 |
| | *Seasonally adjusted annual rates* | | | | | | | | | | | |
| 1953: | | | | | | | | | | | | |
| First half | 53.9 | 31.6 | 21.6 | 10.0 | 4.3 | 2.6 | 1.6 | 12.0 | 1.7 | 4.1 | 4.8 | -.8 |
| Second half | 49.0 | 32.4 | 22.2 | 10.2 | 4.0 | 2.2 | 1.7 | 11.9 | 1.8 | -1.1 | -.4 | -.6 |
| 1954: | | | | | | | | | | | | |
| First half | 45.0 | 31.1 | 20.5 | 10.6 | 3.7 | 2.1 | 1.6 | 12.3 | 2.0 | -4.0 | -4.1 | .1 |
| Second half [3] | 47.2 | 30.3 | 19.6 | 10.6 | 3.6 | 2.0 | 1.5 | 14.4 | 2.2 | -3.2 | -3.4 | .3 |
| 1953: | | | | | | | | | | | | |
| First quarter | 51.9 | 31.4 | 21.6 | 9.8 | 4.3 | 2.5 | 1.8 | 11.7 | 1.6 | 2.8 | 3.3 | -.4 |
| Second quarter | 55.9 | 32.2 | 22.0 | 10.1 | 4.3 | 2.5 | 1.8 | 12.2 | 1.8 | 5.4 | 6.2 | -.8 |
| Third quarter | 52.4 | 32.6 | 22.5 | 10.1 | 4.0 | 2.3 | 1.7 | 12.1 | 1.8 | 2.0 | 2.9 | -.9 |
| Fourth quarter | 45.5 | 32.2 | 21.8 | 10.4 | 3.9 | 2.2 | 1.7 | 11.7 | 1.9 | -4.2 | -3.7 | -.6 |
| 1954: | | | | | | | | | | | | |
| First quarter | 44.5 | 31.4 | 20.7 | 10.7 | 3.7 | 2.1 | 1.6 | 11.7 | 1.9 | -4.2 | -4.2 | -.1 |
| Second quarter | 45.6 | 30.8 | 20.3 | 10.5 | 3.7 | 2.1 | 1.6 | 12.8 | 2.1 | -3.8 | -4.0 | .2 |
| Third quarter | 45.3 | 30.3 | 19.8 | 10.5 | 3.5 | 2.0 | 1.5 | 14.0 | 2.2 | -4.8 | -5.0 | .2 |
| Fourth quarter [3] | 49.2 | 30.1 | 19.5 | 10.6 | 3.6 | 2.1 | 1.5 | 14.8 | 2.2 | -1.5 | -1.7 | .3 |

[1] Less [illegible]

[3] Preliminary; fourth quarter by Council of Economic Advisers.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

## TABLE D-8.—*National income by distributive shares, 1929–54*

[Billions of dollars]

| Period | Total national income[1] | Compensation of employees[2] | Business and professional income and inventory valuation adjustment: Total | Income of unincorporated enterprises | Inventory valuation adjustment | Income of farm proprietors[3] | Rental income of persons | Corporate profits and inventory valuation adjustment: Total | Corporate profits before taxes[4] | Inventory valuation adjustment | Net interest |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 87.8 | 51.1 | 8.8 | 8.8 | 0.1 | 6.0 | 5.8 | 10.1 | 9.6 | 0.5 | [illegible] |
| 1930 | 75.7 | 46.8 | 7.4 | 6.7 | .8 | 4.1 | 4.8 | 6.6 | 3.3 | 3.3 | [illegible] |
| 1931 | 59.7 | 39.7 | 5.6 | 5.0 | .6 | 3.2 | 3.8 | 1.6 | –.8 | 2.4 | [illegible] |
| 1932 | 42.5 | 31.1 | 3.4 | 3.1 | .3 | 1.9 | 2.7 | –2.0 | –3.0 | 1.0 | [illegible] |
| 1933 | 40.2 | 29.5 | 3.2 | 3.7 | –.5 | 2.4 | 2.0 | –2.0 | .2 | –2.1 | [illegible] |
| 1934 | 49.0 | 34.3 | 4.6 | 4.6 | –.1 | 2.4 | 1.7 | 1.1 | 1.7 | –.6 | [illegible] |
| 1935 | 57.1 | 37.3 | 5.4 | 5.4 | (5) | 5.0 | 1.7 | 2.9 | 3.1 | –.2 | [illegible] |
| 1936 | 64.9 | 42.9 | 6.5 | 6.6 | –.1 | 4.0 | 1.8 | 5.0 | 5.7 | –.7 | [illegible] |
| 1937 | 73.6 | 47.9 | 7.1 | 7.1 | (5) | 5.6 | 2.1 | 6.2 | 6.2 | (5) | [illegible] |
| 1938 | 67.6 | 45.0 | 6.8 | 6.6 | .2 | 4.3 | 2.6 | 4.3 | 3.3 | 1.0 | [illegible] |
| 1939 | 72.8 | 48.1 | 7.3 | 7.5 | –.2 | 4.3 | 2.7 | 5.7 | 6.4 | –.7 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 2.9 | 9.1 | 9.8 | –.2 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.5 | 14.5 | 17.0 | –2.6 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4.5 | 19.7 | 20.9 | –1.2 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.1 | 23.8 | 24.6 | –.8 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.4 | 23.0 | 23.3 | –.3 | [illegible] |
| 1945 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.6 | 18.4 | 19.0 | –.6 | [illegible] |
| 1946 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.2 | 17.3 | 23.6 | –5.3 | [illegible] |
| 1947 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.6 | 23.8 | 29.5 | –5.9 | [illegible] |
| 1948 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.2 | 30.6 | 32.8 | –2.2 | [illegible] |
| 1949 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7.9 | 28.1 | 26.2 | 1.9 | [illegible] |
| 1950 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 40.0 | –4.9 | 5.0 |
| 1951 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 41.2 | –1.2 | 5.6 |
| 1952 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 37.2 | 1.0 | 7.4 |
| 1953 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 39.4 | –1.0 | 8.4 |
| 1954[6] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 35.0 | –.1 | 9.1 |
| | Seasonally adjusted annual rates | | | | | | | | | | |
| 1953: First half | 307.0 | 208.1 | 26.4 | 26.6 | –.2 | 12.8 | 10.6 | 41.2 | 42.2 | –0.9 | 8.1 |
| Second half | 303.0 | 210.1 | 26.0 | 26.2 | –.2 | 11.7 | 10.7 | 35.7 | 36.7 | –1.0 | 8.8 |
| 1954: First half | 299.2 | 206.5 | 25.7 | 25.7 | (5) | 12.6 | 10.8 | 34.5 | 34.5 | (5) | 9.0 |
| Second half[6] | 301.0 | 208.0 | 26.1 | 26.1 | –.1 | 11.3 | 11.0 | 35.4 | 35.6 | –.1 | 9.2 |
| 1953: First quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 42.4 | –.6 | 7.9 |
| Second quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 41.9 | –.9 | 8.3 |
| Third quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 40.9 | –2.0 | 8.6 |
| Fourth quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 32.5 | .6 | 8.9 |
| 1954: First quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 34.5 | –.4 | 9.0 |
| Second quarter | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 34.5 | .4 | 9.1 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 34.2 | –.3 | 9.2 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 37.0 | .0 | 9.2 |

NOTE.—Detail will not necessarily [illegible]

Source: Department of Commerce (except as noted).

TABLE D-13.—*Liquid saving by individuals, 1939–54* [1]

[Billions of dollars]

| Period | Total liquid saving | Currency and bank deposits [2] | Savings and loan associations | Insurance and pension reserves | | | Securities | | | | Liquidation of mortgage debt [4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total | Private | Government | Total [3] | U. S. savings bonds | Other government [4] | Corporate and other | |
| 1939 | 4.25 | 3.00 | 0.04 | 3.01 | 1.72 | 1.30 | −0.53 | 0.66 | −0.83 | −0.36 | −0.50 |
| 1940 | 4.24 | 2.88 | .20 | 3.14 | 1.85 | 1.30 | −.17 | .86 | −.81 | −.22 | −.84 |
| 1941 | 10 52 | 4.80 | .36 | 4.01 | 2.14 | 1.86 | 2 83 | 2.75 | .44 | −.36 | −.82 |
| 1942 | 29 30 | 10.95 | .26 | 5.04 | 2.49 | 2.55 | 10.25 | 7.98 | 2.17 | .09 | −.09 |
| 1943 | 38.71 | 16.18 | .55 | 6.77 | 2.85 | 3 92 | 13 83 | 11.14 | 2.88 | −.20 | .38 |
| 1944 | 41.41 | 17.55 | .81 | 8.17 | 3.21 | 4.96 | 14.96 | 11.80 | 3.89 | −.73 | .06 |
| 1945 | 37.39 | 19.06 | 1.06 | 8.59 | 3.46 | 5.14 | 9 36 | 6.85 | 3.43 | −.92 | −.20 |
| 1946 | 13 74 | 10.56 | 1.18 | 6.97 | 3 42 | 3.55 | .89 | .90 | −.65 | .65 | −2.60 |
| 1947 | 6.67 | 2.01 | 1.20 | 7 13 | 3.64 | 3.49 | 3 51 | 1.78 | .89 | .84 | −4.46 |
| 1948 | 2.99 | −1.84 | 1.21 | 7 32 | 3.75 | 3.57 | 3.22 | 2.13 | −.43 | 1.52 | −4.61 |
| 1949 | 2.86 | −1.46 | 1.51 | 6.05 | 3.71 | 2.34 | 3.03 | 1.53 | .52 | .98 | −3 87 |
| 1950 | 1.80 | 3.62 | 1.51 | 5.01 | 3.92 | 1.09 | 2.04 | .55 | .12 | 1 36 | −7.16 |
| 1951 | 11.79 | 5 95 | 2.10 | 8.26 | 4.05 | 4.21 | 2.55 | −.41 | −.22 | 3.18 | −6.53 |
| 1952 | 13 55 | 7 10 | 3.07 | 9.29 | 4 91 | 4.38 | 4 20 | .32 | .15 | 3.72 | −6.26 |
| 1953 | 13.39 | 4.72 | 3.68 | 8.28 | 5.08 | 3.20 | 6.20 | .30 | 2.86 | 3.03 | −6.66 |
| 1953: First half | 5.52 | −.69 | 2.01 | 4.23 | 2.34 | 1.89 | 4.89 | .12 | 2.97 | 1.80 | −3.41 |
| Second half | 7.88 | 5.41 | 1.67 | 4.05 | 2.74 | 1.31 | 1.31 | .18 | −.11 | 1.24 | −3.25 |
| 1954: First half | 6.48 | −.84 | 2.38 | 4.15 | 2.66 | 1.49 | 2.97 | .42 | .45 | 2.10 | −3.24 |
| 1953: First quarter | 2.40 | −1.34 | .96 | 2.15 | 1.24 | .90 | 2.44 | .41 | 1.40 | .63 | −1.51 |
| Second quarter | 3 11 | .64 | 1.05 | 2.08 | 1.09 | .99 | 2.45 | −.29 | 1.58 | 1 16 | −1 89 |
| Third quarter | 3.19 | 1 73 | .59 | 2.11 | 1.20 | .92 | 1.07 | .08 | .32 | .70 | −1.77 |
| Fourth quarter | 4.69 | 3.69 | 1.08 | 1.94 | 1.55 | .39 | .24 | .13 | −.42 | .64 | −1.48 |
| 1954: First quarter | 3.57 | −2.21 | 1.12 | 2.04 | 1.39 | .65 | 2.47 | .22 | 1.12 | 1.13 | −1.31 |
| Second quarter | 2.91 | 1.38 | 1.26 | 2.11 | 1.27 | .84 | .50 | .20 | −.68 | .97 | −1.92 |
| Third quarter | 2.72 | 3.50 | .73 | 2.06 | 1.36 | .70 | −1.13 | .12 | −1.94 | .70 | −2.29 |

... Survey of Current Business.

Source: Securities and Exchange Commission.

TABLE D-14.—*Sources and uses of gross saving, 1929–54*

[Billions of dollars]

| Period | Gross private saving and government surplus or deficit on income and product transactions | | | | | | | Gross investment | | | Statistical discrepancy |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Private saving | | | Government surplus or deficit (−) | | | Total | Gross private domestic investment | Net foreign investment | |
| | | Total | Personal saving | Gross business saving | Total | Federal | State and local | | | | |
| 1929 | 16.7 | 15.7 | 4.2 | 11.5 | 1.0 | 1.2 | −0.1 | 17.0 | 16.2 | 0.8 | 0.3 |
| 1930 | 11.9 | 12.2 | 3.4 | 8.8 | −.3 | .3 | −.5 | 11.0 | 10.3 | .7 | −1.0 |
| 1931 | 4.9 | 7.7 | 2.5 | 5.2 | −2.8 | −2.1 | −.7 | 5.7 | 5.5 | .2 | .8 |
| 1932 | .3 | 2.0 | −.6 | 2.7 | −1.7 | −1.5 | −.2 | 1.1 | .9 | .2 | .8 |
| 1933 | .6 | 1.9 | −.6 | 2.6 | −1.4 | −1.3 | (1) | 1.5 | 1.4 | .2 | .9 |
| 1934 | 2.6 | 5.0 | .1 | 4.9 | −2.4 | −2.9 | .5 | 3.3 | 2.9 | .4 | .7 |
| 1935 | 6.4 | 8.4 | 2.0 | 6.3 | −2.0 | −2.6 | .6 | 6.2 | 6.3 | −.1 | −.2 |
| 1936 | 7.2 | 10.1 | 3.6 | 6.5 | −3.0 | −3.5 | .5 | 8.3 | 8.4 | −.1 | 1.1 |
| 1937 | 12.1 | 11.5 | 3.7 | 7.8 | .6 | −.2 | .7 | 11.8 | 11.7 | .1 | −.2 |
| 1938 | 7.3 | 8.9 | 1.1 | 7.8 | −1.6 | −2.0 | .4 | 7.8 | 6.7 | 1.1 | .5 |
| 1939 | 9.0 | 11.2 | 2.9 | 8.3 | −2.1 | −2.2 | .1 | 10.2 | 9.3 | .9 | 1.2 |
| 1940 | 13.9 | 14.6 | 4.2 | 10.4 | −.7 | −1.4 | .7 | 14.7 | 13.2 | 1.5 | .8 |
| 1941 | 18.8 | 22.6 | 11.1 | 11.5 | −3.8 | −5.1 | 1.3 | 19.2 | 18.1 | 1.1 | .4 |
| 1942 | 10.5 | 41.9 | 27.8 | 14.1 | −31.4 | −33.2 | 1.8 | 9.7 | 9.9 | −.2 | −.8 |
| 1943 | 5.1 | 49.3 | 33.0 | 16.3 | −44.2 | −46.7 | 2.5 | 3.4 | 5.6 | −2.2 | −1.7 |
| 1944 | 2.3 | 54.2 | 36.9 | 17.2 | −51.9 | −54.6 | 2.7 | 5.0 | 7.1 | −2.1 | 2.8 |
| 1945 | 4.5 | 44.3 | 28.7 | 15.6 | −39.7 | −42.3 | 2.6 | 9.0 | 10.4 | −1.4 | 4.5 |
| 1946 | 30.8 | 26.6 | 12.6 | 14.0 | 4.2 | 2.2 | 2.0 | 31.7 | 27.1 | 4.6 | .9 |
| 1947 | 37.3 | 24.0 | 4.0 | 20.0 | 13.3 | 12.2 | 1.0 | 38.6 | 29.7 | 8.9 | 1.4 |
| 1948 | 45.2 | 37.4 | 10.0 | 27.4 | 7.9 | 8.0 | −.1 | 43.1 | 41.2 | 2.0 | −2.1 |
| 1949 | 33.0 | 36.2 | 7.6 | 28.7 | −3.2 | −2.4 | −.8 | 33.1 | 32.5 | .5 | .1 |
| 1950 | 48.8 | 40.7 | 12.1 | 28.6 | 8.1 | 9.2 | −1.1 | 49.0 | 51.2 | −2.2 | .2 |
| 1951 | 55.8 | 49.6 | 17.7 | 31.9 | 6.2 | 6.6 | −.4 | 57.1 | 56.9 | .2 | 1.3 |
| 1952 | 49.9 | 52.8 | 18.4 | 34.3 | −2.8 | −2.9 | (1) | 50.5 | 50.7 | −.2 | .6 |
| 1953 | 48.5 | 55.1 | 20.0 | 35.1 | −6.6 | −6.8 | .2 | 49.5 | 51.4 | −1.9 | 1.0 |
| 1954 [2] | 49.6 | 56.9 | 19.6 | 37.3 | −7.3 | −6.5 | −.8 | 45.6 | 46.1 | −.6 | −4.0 |
| | Seasonally adjusted annual rates | | | | | | | | | | |
| 1953: | | | | | | | | | | | |
| First half | 50.8 | 55.6 | 19.4 | 36.2 | −4.9 | −4.9 | .1 | 51.4 | 53.9 | −2.6 | 0.7 |
| Second half | 46.3 | 54.8 | 20.8 | 34.0 | −8.4 | −8.7 | .2 | 47.8 | 49.0 | −1.2 | 1.4 |
| 1954: | | | | | | | | | | | |
| First half | 47.4 | 57.2 | 20.8 | 36.5 | −9.9 | −9.0 | −.8 | 44.0 | 45.0 | −1.0 | −3.4 |
| Second half [2] | 51.7 | 56.5 | 18.4 | 38.1 | −4.8 | −4.0 | −.8 | 47.2 | 47.2 | −.1 | −4.6 |
| 1953: | | | | | | | | | | | |
| First quarter | 51.4 | 55.1 | 19.2 | 35.9 | −3.7 | −2.8 | −.8 | 50.1 | 51.9 | −1.8 | −1.2 |
| Second quarter | 52.1 | 58.2 | 19.6 | 36.6 | −6.1 | −7.0 | 1.1 | 52.6 | 55.9 | −3.3 | 2.6 |
| Third quarter | 48.5 | 54.2 | 20.0 | 34.2 | −5.6 | −6.2 | .6 | 50.6 | 52.4 | −1.8 | 2.1 |
| Fourth quarter | 44.1 | 55.4 | 21.5 | 33.9 | −11.3 | −11.1 | −.2 | 44.9 | 45.5 | −.6 | .6 |
| 1954: | | | | | | | | | | | |
| First quarter | 46.4 | 57.5 | 21.8 | 35.7 | −11.1 | −10.1 | −1.0 | 43.4 | 44.5 | −1.1 | −3.0 |
| Second quarter | 48.4 | 57.0 | 19.7 | 37.3 | −8.6 | −8.0 | −.6 | 44.6 | 45.6 | −1.0 | −3.8 |
| Third quarter | 49.5 | 55.5 | 18.4 | 37.1 | −6.0 | −5.3 | −.8 | 45.1 | 45.3 | −.2 | −4.4 |
| Fourth quarter [2] | 53.9 | 57.5 | 18.4 | 39.1 | −3.6 | −2.8 | −.8 | 49.2 | 49.2 | .0 | −4.7 |

[1] Less than 50 million dollars.
[2] Preliminary, fourth quarter by Council of Economic Advisers.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

325043—55——11

TABLE D-15.—*Realized gross and net income of farm operators from farming, 1935–39 average and 1940–54* [1]

| Period | Realized gross farm income | Farm production expenses | Realized net farm income: Current prices | Realized net farm income: 1954 prices [2] | Realized net income per farm: Current prices | Realized net income per farm: 1954 prices [2] | Realized net income per farm family worker: Current prices | Realized net income per farm family worker: 1954 prices [2] | Realized net farm income as percent of gross farm income (percent) |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of dollars | | | | Dollars | | | | |
| 1935–39 average | 10,372 | 5,742 | 4,630 | 10,289 | 698 | 1,551 | 507 | 1,127 | 44.6 |
| 1940 | 10,920 | 6,622 | 4,298 | 9,768 | 677 | 1,539 | 518 | 1,177 | 39.4 |
| 1941 | 13,707 | 7,655 | 6,052 | 12,877 | 962 | 2,047 | 755 | 1,606 | 44.2 |
| 1942 | 18,692 | 9,743 | 8,649 | 16,387 | 1,427 | 2,643 | 1,113 | 2,061 | 47.6 |
| 1943 | 22,870 | 11,330 | 11,540 | 18,918 | 1,895 | 3,107 | 1,441 | 2,362 | 50.5 |
| 1944 | 24,113 | 12,143 | 11,970 | 18,703 | 1,994 | 3,116 | 1,498 | 2,341 | 49.6 |
| 1945 | 25,323 | 13,037 | 12,286 | 18,615 | 2,059 | 3,120 | 1,559 | 2,362 | 48.5 |
| 1946 | 28,967 | 14,774 | 14,193 | 19,180 | 2,394 | 3,235 | 1,751 | 2,366 | 49.0 |
| 1947 | 34,002 | 17,228 | 16,774 | 19,505 | 2,856 | 3,321 | 2,067 | 2,403 | 49.3 |
| 1948 | 34,520 | 18,916 | 15,604 | 16,961 | 2,688 | 2,922 | 1,944 | 2,113 | 45.2 |
| 1949 | 31,763 | 18,170 | 13,593 | 15,273 | 2,375 | 2,669 | 1,763 | 1,981 | 42.8 |
| 1950 | 32,066 | 19,704 | 12,362 | 13,736 | 2,159 | 2,432 | 1,705 | 1,894 | 38.6 |
| 1951 | 36,944 | 22,404 | 14,540 | 14,837 | 2,598 | 2,651 | 2,078 | 2,120 | 39.4 |
| 1952 | 36,842 | 23,216 | 13,626 | 13,764 | 2,462 | 2,487 | 2,019 | 2,039 | 37.0 |
| 1953 | 35,430 | 22,155 | 13,275 | 13,409 | 2,422 | 2,446 | 1,998 | 2,018 | 37.5 |
| 1954 [3] | 34,100 | 21,600 | 12,500 | 12,500 | ---------- | ---------- | 1,910 | 1,910 | 37 |
| | *Seasonally adjusted annual rates* | | | | | | | | |
| 1953: | | | | | | | | | |
| First half | 36,100 | 22,400 | 13,700 | 13,800 | 2,490 | 2,520 | 2,060 | 2,080 | 38 |
| Second half | 34,800 | 21,800 | 12,900 | 13,000 | 2,350 | 2,380 | 1,940 | 1,960 | 37 |
| 1954: | | | | | | | | | |
| First half | 34,800 | 22,000 | 12,800 | 12,800 | ---------- | ---------- | 1,960 | 1,960 | 37 |
| Second half [3] | 33,400 | 21,200 | 12,200 | 12,200 | ---------- | ---------- | 1,860 | 1,860 | 37 |
| 1953: | | | | | | | | | |
| First quarter | 36,500 | 22,700 | 13,800 | 13,900 | 2,520 | 2,550 | 2,080 | 2,100 | 38 |
| Second quarter | 35,700 | 22,200 | 13,500 | 13,600 | 2,460 | 2,490 | 2,030 | 2,050 | 38 |
| Third quarter | 34,700 | 21,900 | 12,800 | 12,900 | 2,330 | 2,360 | 1,920 | 1,940 | 37 |
| Fourth quarter | 34,800 | 21,800 | 13,000 | 13,100 | 2,370 | 2,400 | 1,960 | 1,980 | 37 |
| 1954: | | | | | | | | | |
| First quarter | 35,200 | 22,200 | 13,000 | 13,000 | ---------- | ---------- | 1,990 | 1,990 | 37 |
| Second quarter | 34,400 | 21,900 | 12,500 | 12,500 | ---------- | ---------- | 1,920 | 1,920 | 36 |
| Third quarter | 33,300 | 21,300 | 12,000 | 12,000 | ---------- | ---------- | 1,840 | 1,840 | 36 |
| Fourth quarter [3] | 33,500 | 21,200 | 12,300 | 12,300 | ---------- | ---------- | 1,880 | 1,880 | 37 |

yet [illegible]

[2] Dollar estimates in current prices divided by the index of [illegible] converted from the reported base 1910–14=100 to the base 1954=100.

[3] Preliminary.

Source: Department of Agriculture.

TABLE D-16.—*Total population 14 years of age and over and the labor force, 1929–54*

| Period | Total population [1] | Total labor force (including armed forces) [1] | Armed forces [1] | Civilian labor force: Total | Civilian labor force: Employment [2]: Total | Civilian labor force: Employment [2]: Agricultural | Civilian labor force: Employment [2]: Nonagricultural | Civilian labor force: Unemployment | Total labor force as percent of total population | Unemployment as percent of civilian labor force |
|---|---|---|---|---|---|---|---|---|---|---|
| | Thousands of persons 14 years of age and over | | | | | | | | Percent [3] | |
| 63-area sample [3] | | | | | | | | | | |
| Monthly average: [4] | | | | | | | | | | |
| 1929 | 87,910 | 49,440 | 260 | 49,180 | 47,630 | 10,450 | 37,180 | 1,550 | 56.2 | 3.2 |
| 1930 | 89,440 | 50,080 | 260 | 49,820 | 45,480 | 10,340 | 35,140 | 4,340 | 56.0 | 8.7 |
| 1931 | 90,600 | 50,680 | 260 | 50,420 | 42,400 | 10,290 | 32,110 | 8,020 | 55.9 | 15.9 |
| 1932 | 91,700 | 51,250 | 250 | 51,000 | 38,940 | 10,170 | 28,770 | 12,060 | 55.9 | 23.6 |
| 1933 | 92,840 | 51,840 | 250 | 51,590 | 38,760 | 10,090 | 28,670 | 12,830 | 55.8 | 24.9 |
| 1934 | 94,080 | 52,490 | 260 | 52,230 | 40,890 | 9,900 | 30,990 | 11,340 | 55.8 | 21.7 |
| 1935 | 95,350 | 53,140 | 270 | 52,870 | 42,260 | 10,110 | 32,150 | 10,610 | 55.7 | 20.1 |
| 1936 | 96,580 | 53,740 | 300 | 53,440 | 44,410 | 10,000 | 34,410 | 9,030 | 55.6 | 16.9 |
| 1937 | 97,740 | 54,320 | 320 | 54,000 | 46,300 | 9,820 | 36,480 | 7,700 | 55.6 | 14.3 |
| 1938 | 98,960 | 54,950 | 340 | 54,610 | 44,220 | 9,690 | 34,530 | 10,390 | 55.5 | 19.0 |
| 1939 | 100,210 | 55,600 | 370 | 55,230 | 45,750 | 9,610 | 36,140 | 9,480 | 55.5 | 17.2 |
| 1940 | 101,490 | 56,180 | 540 | 55,640 | 47,520 | 9,540 | 37,980 | 8,120 | 55.4 | 14.6 |
| 1941 | 102,640 | 57,530 | 1,620 | 55,910 | 50,350 | 9,100 | 41,250 | 5,560 | 56.1 | 9.9 |
| 1942 | 103,690 | 60,380 | 3,970 | 56,410 | 53,750 | 9,250 | 44,500 | 2,660 | 58.2 | 4.7 |
| 1943 | 104,750 | 64,560 | 9,020 | 55,540 | 54,470 | 9,080 | 45,390 | 1,070 | 61.6 | 1.9 |
| 1944 | 105,750 | 66,040 | 11,410 | 54,630 | 53,960 | 8,950 | 45,010 | 670 | 62.4 | 1.2 |
| 1945 | 106,620 | 65,290 | 11,430 | 53,860 | 52,820 | 8,580 | 44,240 | 1,040 | 61.2 | 1.9 |
| 1946 | 107,590 | 60,970 | 3,450 | 57,520 | 55,250 | 8,320 | 46,930 | 2,270 | 56.7 | 3.9 |
| 1947 | 108,631 | 61,758 | 1,590 | 60,168 | 58,027 | 8,266 | 49,761 | 2,142 | 56.7 | 3.6 |
| 1948 | 109,924 | 62,898 | 1,456 | 61,442 | 59,378 | 7,973 | 51,405 | 2,064 | 57.2 | 3.4 |
| 1949 | 111,095 | 63,721 | 1,616 | 62,105 | 58,710 | 8,026 | 50,684 | 3,395 | 57.4 | 5.5 |
| 1950 | 112,237 | 64,749 | 1,650 | 63,099 | 59,957 | 7,507 | 52,450 | 3,142 | 57.7 | 5.0 |
| 1951 | 113,382 | 65,982 | 3,098 | 62,884 | 61,005 | 7,054 | 53,951 | 1,879 | 58.2 | 3.0 |
| 1952 | 114,689 | 66,560 | 3,594 | 62,966 | 61,293 | 6,805 | 54,488 | 1,673 | 58.1 | 2.7 |
| *Revised series* [5] | | | | | | | | | | |
| 1953 | 116,576 | 67,362 | 3,547 | 63,815 | 62,213 | 6,562 | 55,651 | 1,602 | 57.8 | 2.5 |
| 1953: First half | 116,272 | 66,992 | 3,541 | 63,451 | 61,817 | 6,310 | 55,507 | 1,634 | 57.6 | 2.6 |
| Second half | 116,893 | 67,732 | 3,553 | 64,180 | 62,609 | 6,815 | 55,794 | 1,570 | 57.9 | 2.4 |
| 1953: January | 115,635 | 66,438 | 3,543 | 62,895 | 61,003 | 5,760 | 55,243 | 1,892 | 57.5 | 3.0 |
| February | 115,923 | 66,426 | 3,543 | 62,883 | 61,095 | 5,611 | 55,484 | 1,788 | 57.3 | 2.8 |
| March | 116,199 | 66,882 | 3,545 | 63,337 | 61,663 | 5,925 | 55,738 | 1,674 | 57.6 | 2.6 |
| April | 116,272 | 66,684 | 3,528 | 63,156 | 61,574 | 6,275 | 55,299 | 1,582 | 57.4 | 2.5 |
| May | 116,375 | 66,820 | 3,533 | 63,287 | 61,981 | 6,424 | 55,557 | 1,306 | 57.4 | 2.1 |
| June | 116,476 | 68,703 | 3,556 | 65,147 | 63,585 | 7,865 | 55,720 | 1,562 | 59.0 | 2.4 |
| July | 116,576 | 68,804 | 3,590 | 65,214 | 63,666 | 7,544 | 56,122 | 1,548 | 59.0 | 2.4 |
| August | 116,676 | 68,521 | 3,590 | 64,931 | 63,691 | 7,173 | 56,518 | 1,240 | 58.7 | 1.9 |
| September | 116,786 | 67,480 | 3,575 | 63,905 | 62,584 | 7,109 | 55,475 | 1,321 | 57.8 | 2.1 |
| October | 116,887 | 67,609 | 3,550 | 64,059 | 62,758 | 7,075 | 55,683 | 1,301 | 57.8 | 2.0 |
| November | 116,988 | 67,495 | 3,520 | 63,975 | 62,276 | 6,617 | 55,659 | 1,699 | 57.7 | 2.7 |
| December | 117,078 | 66,485 | 3,492 | 62,993 | 60,680 | 5,370 | 55,310 | 2,313 | 56.8 | 3.7 |

See footnotes at end of table.

TABLE D-16.—*Total population 14 years of age and over and the labor force, 1929-54*—Con.

| Period | Total population [1] | Total labor force (including armed forces) [1] | Armed forces [1] | Civilian labor force: Total | Employment [2]: Total | Employment [2]: Agricultural | Employment [2]: Nonagricultural | Unemployment | Total labor force as percent of total population | Unemployment as percent of civilian labor force |
|---|---|---|---|---|---|---|---|---|---|---|
| | Thousands of persons 14 years of age and over | | | | | | | | Percent | |
| **230-area sample [3]** | | | | | | | | | | |
| *Monthly average:* [4] | | | | | | | | | | |
| 1954 | 117,664 | 67,818 | 3,350 | 64,468 | 61,238 | 6,504 | 54,734 | 3,230 | 57.6 | 5.0 |
| 1954: First half | 117,432 | 67,444 | 3,390 | 64,054 | 60,620 | 6,232 | 54,389 | 3,433 | 57.4 | 5.4 |
| *Second half* | *117,991* | *68,102* | *3,311* | *64,882* | *61,855* | *6,776* | *55,078* | *3,027* | *57.8* | *4.7* |
| *1954:* January | *117,183* | *66,292* | *3,452* | *62,840* | *59,753* | *5,284* | *54,469* | *3,087* | *56.6* | 4.9 |
| February | 117,264 | 67,139 | 3,414 | 63,725 | 60,055 | 5,704 | 54,351 | 3,671 | 57.3 | 5.8 |
| March | *117,358* | 67,218 | 3,393 | 63,825 | 60,100 | 5,875 | 54,225 | 3,725 | 57.3 | 5.8 |
| April | 117,432 | 67,438 | 3,375 | 64,063 | 60,598 | 6,076 | 54,522 | 3,465 | 57.4 | 5.4 |
| May | 117,528 | 67,786 | 3,361 | 64,425 | 61,119 | 6,822 | 54,297 | 3,305 | 57.7 | 5.1 |
| June | 117,597 | 68,788 | 3,343 | 65,445 | 62,098 | 7,628 | 54,470 | 3,347 | 58.5 | 5.1 |
| July | 117,664 | 68,824 | 3,330 | 65,494 | 62,148 | 7,486 | 54,661 | 3,346 | 58.6 | 5.1 |
| August | 117,773 | 68,856 | 3,334 | 65,522 | 62,276 | 6,928 | 55,349 | 3,245 | 58.5 | 5.0 |
| September | 117,877 | 68,565 | 3,322 | 65,243 | 62,144 | 7,527 | 54,617 | 3,099 | 58.2 | 4.6 |
| October | 117,991 | 68,190 | 3,308 | 64,882 | 62,141 | 7,239 | 54,902 | 2,741 | 57.8 | 4.2 |
| November | 118,103 | 67,909 | 3,285 | 64,624 | 61,731 | 6,154 | 55,577 | 2,893 | 57.5 | 4.5 |
| December | 118,206 | 66,811 | 3,285 | 63,526 | 60,688 | 5,325 | 55,363 | 2,838 | 56.5 | 4.5 |

No. 155, January 1955. [illegible]
*Department of Commerce.*

NOTE.—Labor force data are based on a survey made during the week which includes the 8th of the month. Monthly population data are for the 1st of the month.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce, Department of Labor (labor force, 1929-39), and Council of Economic Advisers.

TABLE D-17.—*Employment and unemployment, by age, and by sex for 20-64 year group, 1942-54*

[Thousands of persons 14 years of age and over]

| Period | Total civilian labor force | Employed[1] | | | | | Unemployed | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | 14-19 years | 20-64 years | | 65 years and over | Total | 14-19 years | 20-64 years | | 65 years and over |
| | | | | Males | Females | | | | Males | Females | |
| **5-area sample** | | | | | | | | | | | |
| Monthly average: | | | | | | | | | | | |
| 1942 | 56,410 | 53,750 | 5,770 | 32,870 | 12,640 | 2,470 | 2,660 | 510 | 1,330 | 700 | 120 |
| 1943 | 55,540 | 54,470 | 6,350 | 30,450 | 14,930 | 2,740 | 1,070 | 290 | 360 | 350 | 70 |
| 1944 | 54,630 | 53,960 | 6,050 | 29,460 | 15,560 | 2,890 | 670 | 200 | 230 | 210 | 30 |
| 1945 | 53,860 | 52,820 | 5,480 | 28,920 | 15,500 | 2,920 | 1,040 | 190 | 500 | 320 | 30 |
| 1946 | 57,520 | 55,250 | 4,550 | 34,170 | 13,810 | 2,720 | 2,270 | 290 | 1,550 | 360 | 70 |
| 1947 | 60,168 | 58,027 | 4,716 | 36,567 | 13,991 | 2,754 | 2,142 | 425 | 1,256 | 394 | 68 |
| 1948 | 61,442 | 59,378 | 4,842 | 37,205 | 14,517 | 2,815 | 2,064 | 415 | 1,099 | 470 | 82 |
| 1949 | 62,105 | 58,710 | 4,612 | 36,639 | 14,588 | 2,871 | 3,395 | 595 | 1,929 | 733 | 139 |
| [illegible] | | | | | | | | 543 | 1,704 | 706 | 131 |
| [illegible] | | | | | | | | 356 | 835 | 595 | 96 |
| [illegible] | | | | | | | | 362 | 776 | 460 | 75 |
| [illegible] | | | | | | | | 291 | 795 | 379 | 58 |
| 1953: First half | 63,128 | 61,494 | 4,298 | 37,726 | 16,359 | 3,111 | 1,634 | 305 | 872 | 388 | 69 |
| Second half | 63,706 | 62,294 | 4,684 | 38,030 | 16,452 | 3,129 | 1,412 | 276 | 719 | 370 | 47 |
| [illegible] | | | | | | | | 282 | 1,058 | 430 | 92 |
| [illegible] | | | | | | | | 298 | 982 | 428 | 80 |
| [illegible] | | | | | | | | 252 | 806 | 404 | 92 |
| [illegible] | | | | | | | | 242 | 902 | 364 | 74 |
| [illegible] | | | | | | | | 246 | 714 | 310 | 36 |
| [illegible] | | | | | | | | 312 | 680 | 330 | 40 |
| [illegible] | | | | | | | | 410 | 720 | 370 | 48 |
| [illegible] | | | | | | | | 280 | 602 | 322 | 36 |
| [illegible] | | | | | | | | 214 | 611 | 377 | 43 |
| [illegible] | | | | | | | | 246 | 552 | 323 | 41 |
| [illegible] | | | | | | | | 219 | 751 | 411 | 47 |
| [illegible] | | | | | | | | 287 | 1,077 | 417 | 69 |
| 1954: January | 62,137 | 59,778 | 3,689 | 37,304 | 15,898 | 2,885 | 2,359 | 266 | 1,431 | 571 | 91 |
| February | 63,491 | 60,106 | 3,682 | 37,129 | 16,373 | 2,923 | 3,385 | 469 | 1,923 | 854 | 139 |
| **230-area sample** | | | | | | | | | | | |
| Monthly average: | | | | | | | | | | | |
| 1954 | 64,468 | 61,238 | 4,286 | 37,405 | 16,476 | 3,071 | 3,230 | 516 | 1,739 | 856 | 120 |
| 1954: First half | 64,054 | 60,620 | 4,094 | 37,185 | 16,316 | 3,026 | 3,433 | 536 | 1,879 | 895 | 124 |
| Second half | 64,882 | 61,855 | 4,477 | 37,626 | 16,636 | 3,116 | 3,027 | 495 | 1,600 | 816 | 116 |
| [illegible] | | | | | | | | 482 | 1,635 | 823 | 118 |
| [illegible] | | | | | | | | 540 | 2,082 | 926 | 122 |
| [illegible] | | | | | | | | 495 | 2,103 | 977 | 150 |
| [illegible] | | | | | | | | 469 | 1,938 | 915 | 142 |
| [illegible] | | | | | | | | 519 | 1,781 | 890 | 116 |
| June | 65,445 | 62,098 | 5,062 | 37,564 | 16,391 | 3,083 | 3,347 | 731 | 1,678 | 839 | 97 |
| July | | | | | | | | 734 | 1,674 | 827 | 111 |
| August | | | | | | | | 584 | 1,671 | 855 | 134 |
| Septen | | | | | | | | 485 | 1,634 | 887 | 92 |
| Octobe | | | | | | | | 377 | 1,490 | 759 | 116 |
| Noven | | | | | | | | 378 | 1,507 | 872 | 136 |
| Decem | | | | | | | | 413 | 1,622 | 696 | 108 |

[1] Includes part-time workers and those who had jobs but were not at work for such reasons as vacation, illness, bad weather, temporary layoff, and industrial disputes.

Source: Department of Commerce.

TABLE D-18.—*Employed persons with a job but not at work, by reason for not working, 1946-54*

[Thousands of persons 14 years of age and over

| Period | Total employed persons with a job but not at work | Temporary layoff [1] | New job or business [2] | Vacation | Illness | All other [3] |
|---|---|---|---|---|---|---|
| Monthly average: | | | | | | |
| 1946 | 2,258 | 97 | 58 | 662 | 819 | 622 |
| 1947 | 2,474 | 123 | 92 | 834 | 847 | 579 |
| 1948 | 2,751 | 141 | 121 | 1,044 | 844 | 602 |
| 1949 | 2,530 | 185 | 101 | 1,044 | 719 | 480 |
| 1950 | 2,648 | 92 | 116 | 1,137 | 718 | 585 |
| 1951 | 2,680 | 117 | 103 | 1,073 | 732 | 604 |
| 1952 | 2,814 | 142 | 117 | 1,130 | 775 | 650 |
| 1953 | 2,682 | 142 | 100 | 1,164 | 753 | 494 |
| 1954 | 3,036 | 221 | 127 | 1,361 | 776 | 451 |
| 1953: First half | 2,247 | 123 | 108 | 526 | 895 | 605 |
| Second half | 3,116 | 161 | 91 | 1,801 | 672 | 322 |
| 1954. First half | 2,375 | 270 | 131 | 511 | 894 | 580 |
| Second half | 3,698 | 172 | 123 | 2,211 | 668 | 323 |
| 1953: January | 2,358 | 194 | 80 | 328 | 1,018 | 735 |
| February | 2,362 | 110 | 88 | 318 | 1,246 | 600 |
| March | 1,996 | 84 | 92 | 200 | 932 | 628 |
| April | 2,168 | 100 | 104 | 500 | 850 | 614 |
| May | 1,982 | 126 | 128 | 368 | 742 | 610 |
| June | 2,618 | 122 | 143 | 1,356 | 580 | 383 |
| July | 6,126 | 144 | 78 | 4,794 | 648 | 462 |
| August | 4,924 | 170 | 132 | 3,546 | 664 | 412 |
| September | 2,696 | 141 | 137 | 1,407 | 607 | 314 |
| October | 1,595 | 133 | 86 | 505 | 535 | 235 |
| November | 1,687 | 163 | 70 | 362 | 694 | 390 |
| December | 1,671 | 193 | 43 | 191 | 695 | 547 |
| 1954 January | 2,636 | 427 | 80 | 259 | 1,004 | 567 |
| February | 2,283 | 216 | 108 | 347 | 996 | 618 |
| March | 1,943 | 238 | 92 | 286 | 780 | 549 |
| April | 2,286 | 216 | 188 | 395 | 930 | 556 |
| May | 2,137 | 204 | 91 | 470 | 809 | 474 |
| June | 2,064 | 229 | 227 | 1,310 | 784 | 411 |
| July | 7,992 | 298 | 138 | 6,211 | 706 | 638 |
| August | 5,575 | 143 | 131 | 4,008 | 672 | 601 |
| September | 3,173 | 198 | 166 | 1,720 | 648 | 442 |
| October | 2,025 | 136 | 86 | 738 | 655 | 413 |
| November | 1,725 | 120 | 133 | 363 | 670 | 438 |
| December | 1,695 | 137 | 64 | 230 | 658 | 406 |

[1] Includes persons who had been temporarily laid off from their jobs with definite instructions to return to work within 30 days of layoff, and who were not seeking other work.

[2] Includes persons who had a new job or business to which they were scheduled to report within the following 30 days.

[3] Includes persons who were not at work because of bad weather, industrial disputes, and all other reasons.

NOTE.—Data through 1953 are based on a 68-area sample; those for 1954, on a 230-area sample. Data for 1953 shown above are those originally published by the Department of Commerce and therefore do not agree with the revised series for 1953 shown in appendix table D-16.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

TABLE D-19.—*Unemployed persons, by duration of unemployment, 1946–54*

| Period | Total unemployed | Duration of unemployment: 4 weeks and under | 5-14 weeks | 15-26 weeks | Over 26 weeks | Average duration of unemployment (weeks) |
|---|---|---|---|---|---|---|
| | Thousands of persons 14 years of age and over | | | | | |
| Monthly average: | | | | | | |
| 1946 | 2,270 | (1) | (1) | (1) | 141 | (2) |
| 1947 | 2,142 | 1,041 | 704 | 234 | 164 | 9.8 |
| 1948 | 2,064 | 1,067 | 669 | 193 | 116 | 8.6 |
| 1949 | 3,395 | 1,517 | 1,195 | 427 | 256 | 10.0 |
| 1950 | 3,142 | 1,307 | 1,055 | 425 | 357 | 12.1 |
| 1951 | 1,879 | 1,003 | 574 | 166 | 137 | 9.7 |
| 1952 | 1,673 | 923 | 517 | 148 | 84 | 8.3 |
| 1953 | 1,523 | 871 | 456 | 126 | 71 | 7.9 |
| 1954 | 3,230 | 1,303 | 1,115 | 425 | 317 | 11.8 |
| 1953: First half | 1,634 | 879 | 512 | 160 | 83 | 8.7 |
| Second half | 1,412 | 862 | 400 | 92 | 60 | 7.1 |
| 1954: First half | 3,433 | 1,355 | 1,250 | 567 | 270 | 11.0 |
| Second half | 3,027 | 1,251 | 980 | 422 | 374 | 12.6 |
| 1953: First quarter | 1,785 | 920 | 600 | 173 | 91 | 9.0 |
| Second quarter | 1,453 | 839 | 424 | 147 | 74 | 8.3 |
| Third quarter | 1,345 | 822 | 377 | 82 | 64 | 7.3 |
| Fourth quarter | 1,430 | 902 | 422 | 101 | 55 | 6.9 |
| 1954: First quarter | 3,494 | 1,396 | 1,429 | 473 | 195 | 9.9 |
| Second quarter | 3,372 | 1,315 | 1,072 | 659 | 325 | 12.0 |
| Third quarter | 3,230 | 1,313 | 1,071 | 473 | 374 | 12.2 |
| Fourth quarter | 2,824 | 1,169 | 889 | 372 | 373 | 12.9 |

[1] For duration of less than 6 months, data are available only for under 3 months (1,568,000) and 3 to 6 months (564,000).
[2] Not available.

NOTE.—Data through 1953 are based on a 68-area sample; those for 1954, on a 230-area sample. Data for 1953 shown above are those originally published by the Department of Commerce and therefore do not agree with the revised series for 1953 shown in appendix table D-16.
Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

TABLE D-20.—*Unemployment insurance programs, selected data, 1939 and 1946-54*

| Period | Initial claims[1] | | Insured unemployment[2] | | Exhaustions, State programs[6] | State insured unemployment as percent of covered employment (percent) | Benefits paid under State programs | |
|---|---|---|---|---|---|---|---|---|
| | State and veteran programs[3] | State programs | All programs[4] | State programs[5] | | | Total (millions of dollars) | Average weekly check (dollars)[7] |
| | Weekly average (thousands) | | | | | | | |
| 1939 | 188 | 188 | ---------- | 1,086 | 61 | 5.1 | 429.3 | 10.66 |
| 1946 | 341 | 189 | ---------- | 1,294 | 38 | 4.3 | 1,094.9 | 18.50 |
| 1947 | 280 | 187 | ---------- | 1,008 | 24 | 3.1 | 775.1 | 17.83 |
| 1948 | 282 | 210 | ---------- | 999 | 20 | 3.0 | 789.9 | 19.03 |
| 1949 | 375 | 323 | 2,470 | 1,970 | 37 | 6.2 | 1,736.0 | 20.48 |
| 1950 | 239 | 236 | 1,599 | 1,498 | 36 | 4.6 | 1,373.1 | 20.76 |
| 1951 | 211 | 208 | 996 | 966 | 16 | 2.8 | 840.4 | 21.09 |
| 1952 | 215 | 215 | 1,064 | 1,019 | 18 | 2.9 | 998.2 | 22.79 |
| 1953 | 223 | 218 | 1,058 | 988 | 16 | 2.8 | 962.2 | 23.58 |
| 1954 | 314 | 303 | 2,039 | 1,857 | 34 | 5.2 | 2,029.0 | 24.93 |
| 1953: First half | 199 | 192 | 1,060 | 989 | 16 | 2.8 | 499.1 | 23.30 |
| Second half | 247 | 241 | 1,056 | 987 | 14 | 2.8 | 463.2 | 23.89 |
| 1954: First half | 339 | 327 | 2,278 | 2,092 | 32 | 5.7 | 1,125.7 | 24.69 |
| Second half | 290 | 280 | 1,800 | 1,621 | 36 | 4.4 | 903.3 | 25.20 |
| 1953: January | 243 | 236 | 1,242 | 1,158 | 17 | 3.3 | 94.4 | 23.44 |
| February | 190 | 184 | 1,174 | 1,084 | 16 | 3.1 | 86.8 | 23.37 |
| March | 184 | 179 | 1,100 | 1,014 | 17 | 2.9 | 92.3 | 23.25 |
| April | 195 | 190 | 1,026 | 961 | 16 | 2.7 | 83.0 | 23.28 |
| May | 192 | 186 | 940 | 889 | 14 | 2.5 | 72.1 | 23.16 |
| June | 188 | 182 | 878 | 833 | 14 | 2.4 | 72.0 | 23.27 |
| July | 219 | 213 | 913 | 861 | 13 | 2.4 | 69.2 | 23.08 |
| August | 195 | 189 | 868 | 816 | 12 | 2.3 | 64.6 | 23.42 |
| September | 191 | 186 | 830 | 779 | 12 | 2.2 | 65.3 | 23.77 |
| October | 215 | 209 | 897 | 840 | 12 | 2.3 | 66.1 | 24.04 |
| November | 304 | 296 | 1,198 | 1,115 | 14 | 3.1 | 79.0 | 24.31 |
| December | 361 | 351 | 1,632 | 1,509 | 17 | 4.2 | 120.8 | 24.34 |
| 1954: January | 430 | 416 | 2,205 | 2,034 | 22 | 5.6 | 158.4 | 24.53 |
| February | 347 | 335 | 2,362 | 2,170 | 27 | 6.0 | 179.3 | 24.73 |
| March | 314 | 303 | 2,389 | 2,175 | 33 | 6.0 | 216.6 | 24.66 |
| April | 338 | 328 | 2,383 | 2,181 | 36 | 6.0 | 200.8 | 24.78 |
| May | 302 | 292 | 2,244 | 2,070 | 36 | 5.7 | 185.6 | 24.68 |
| June | 301 | 289 | 2,082 | 1,924 | 37 | 5.3 | 191.0 | 24.70 |
| July | 314 | 303 | 2,037 | 1,882 | 38 | 5.1 | 168.0 | 24.85 |
| August | 275 | 263 | 1,871 | 1,692 | 39 | 4.6 | 162.7 | 25.02 |
| September | 264 | 255 | 1,752 | 1,580 | 37 | 4.4 | 153.7 | 25.56 |
| October | 271 | 262 | 1,631 | 1,466 | 36 | 4.0 | 135.3 | 25.73 |
| November | 282 | 271 | 1,643 | 1,463 | 32 | 4.0 | 132.1 | 25.47 |
| December | 332 | 323 | 1,889 | 1,666 | 33 | 4.6 | 153.1 | 25.30 |

[illegible]

Source: Department of Labor.

TABLE D-21.—*Labor turnover rates in manufacturing industries, 1930–54*

[Rates per 100 employees]

| Period | Separation rates | | | | Accession rates |
|---|---|---|---|---|---|
| | Total | Quit [1] | Layoff | Discharge, military, and miscellaneous [1] | |
| Monthly average:[2] | | | | | |
| 1930 | 5.0 | 1.6 | 3.0 | 0.4 | 3.1 |
| 1931 | 4.0 | .9 | 2.9 | .2 | 3.1 |
| 1932 | 4.4 | .7 | 3.5 | .2 | 3.3 |
| 1933 | 3.8 | .9 | 2.7 | .2 | 5.4 |
| 1934 | 4.1 | .9 | 3.0 | .2 | 4.7 |
| 1935 | 3.6 | .9 | 2.5 | .2 | 4.2 |
| 1936 | 3.4 | 1.1 | 2.0 | .2 | 4.4 |
| 1937 | 4.4 | 1.2 | 3.0 | .2 | 3.0 |
| 1938 | 4.1 | .6 | 3.4 | .1 | 3.8 |
| 1939 | 3.1 | .8 | 2.2 | .1 | 4.1 |
| 1940 | 3.4 | .9 | 2.2 | .3 | 4.4 |
| 1941 | 3.9 | 2.0 | 1.3 | .6 | 5.4 |
| 1942 | 6.5 | 3.8 | 1.1 | 1.7 | 7.6 |
| 1943 | 7.3 | 6.2 | .6 | 1.5 | 7.5 |
| 1944 | 6.8 | 5.1 | .6 | 1.1 | 6.1 |
| 1945 | 8.3 | 5.1 | 2.3 | .9 | 6.3 |
| 1946 | 6.1 | 4.3 | 1.3 | .5 | 6.7 |
| 1947 | 4.8 | 3.4 | 1.0 | .5 | 5.1 |
| 1948 | 4.6 | 2.8 | 1.3 | .5 | 4.4 |
| 1949 | 4.3 | 1.5 | 2.4 | .3 | 3.5 |
| 1950 | 3.5 | 1.9 | 1.1 | .5 | 4.4 |
| 1951 | 4.4 | 2.4 | 1.2 | .8 | 4.4 |
| 1952 | 4.1 | 2.3 | 1.1 | .6 | 4.4 |
| 1953 | 4.3 | 2.3 | 1.3 | .7 | 3.9 |
| 1954 [3] | 3.5 | 1.2 | 2.0 | .4 | 3.0 |
| 1953: First half | 4.1 | 2.5 | .9 | .7 | 4.4 |
| Second half | 4.5 | 2.2 | 1.8 | .6 | 3.4 |
| 1954: First half | 3.6 | 1.0 | 2.3 | .4 | 2.8 |
| Second half [3] | 3.3 | 1.3 | 1.6 | .4 | 3.3 |
| 1953: January | 3.8 | 2.1 | .9 | .7 | 4.4 |
| February | 3.6 | 2.2 | .8 | .8 | 4.2 |
| March | 4.1 | 2.6 | .8 | .7 | 4.4 |
| April | 4.3 | 2.7 | .9 | .7 | 4.8 |
| May | 4.4 | 2.7 | 1.0 | .7 | 4.1 |
| June | 4.2 | 2.6 | .9 | .7 | 5.1 |
| July | 4.3 | 2.5 | 1.1 | .7 | 4.1 |
| August | 4.6 | 2.9 | 1.3 | .7 | 4.8 |
| September | 5.2 | 3.1 | 1.5 | .7 | 4.0 |
| October | 4.5 | 2.1 | 1.8 | .7 | 3.3 |
| November | 4.2 | 1.5 | 2.3 | .5 | 2.7 |
| December | 4.0 | 1.1 | 2.5 | .4 | 2.1 |
| 1954: January | 4.3 | 1.1 | 2.8 | .5 | 2.8 |
| February | 3.5 | 1.0 | 2.2 | .4 | 2.5 |
| March | 3.7 | 1.0 | 2.3 | .4 | 2.8 |
| April | 3.8 | 1.1 | 2.4 | .4 | 2.4 |
| May | 3.3 | 1.0 | 1.9 | .4 | 2.7 |
| June | 3.1 | 1.1 | 1.7 | .4 | 3.5 |
| July | 3.1 | 1.1 | 1.6 | .4 | 2.9 |
| August | 3.5 | 1.4 | 1.7 | .5 | 3.3 |
| September | 3.9 | 1.8 | 1.7 | .5 | 3.4 |
| October | 3.3 | 1.2 | 1.6 | .4 | 3.6 |
| November | 2.9 | 1.0 | 1.6 | .4 | 3.3 |

[1] Prior to 1940, military and miscellaneous separations are included with quits.
[2] Averages computed by Council of Economic Advisers from published monthly rates.
[3] Based on data through November.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Labor (except as noted).

TABLE D-22.—*Number of wage and salary workers in nonagricultural establishments, 1929-54* [1]

[Thousands of employees]

| Period | Total wage and salary workers | Manufacturing: Total | Manufacturing: Durable goods | Manufacturing: Nondurable goods | Mining | Contract construction | Transportation and public utilities | Trade [2] | Finance | Service [2] | Government (Federal, State, and local) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 31,041 | 10,534 | (3) | (3) | 1,078 | 1,497 | 3,907 | 6,401 | 1,431 | 3,127 | 3,066 |
| 1930 | 29,143 | 9,401 | (3) | (3) | 1,000 | 1,372 | 3,675 | 6,064 | 1,398 | 3,084 | 3,149 |
| 1931 | 26,383 | 8,021 | (3) | (3) | 864 | 1,214 | 3,243 | 5,531 | 1,333 | 2,913 | 3,264 |
| 1932 | 23,377 | 6,797 | (3) | (3) | 722 | 970 | 2,804 | 4,907 | 1,270 | 2,682 | 3,225 |
| 1933 | 23,466 | 7,258 | (3) | (3) | 735 | 809 | 2,659 | 4,999 | 1,225 | 2,614 | 3,167 |
| 1934 | 25,699 | 8,346 | (3) | (3) | 874 | 862 | 2,736 | 5,552 | 1,247 | 2,784 | 3,298 |
| | | | | | 888 | 912 | 2,771 | 5,692 | 1,262 | 2,883 | 3,477 |
| | | | | | 937 | 1,145 | 2,956 | 6,076 | 1,313 | 3,060 | 3,662 |
| | | | | | 1,006 | 1,112 | 3,114 | 6,543 | 1,355 | 3,233 | 3,749 |
| | | | | | 882 | 1,055 | 2,840 | 6,453 | 1,347 | 3,196 | 3,876 |
| | | | | | 845 | 1,150 | 2,912 | 6,612 | 1,382 | 3,321 | 3,987 |
| | | | | | 916 | 1,294 | 3,013 | 6,940 | 1,419 | 3,477 | 4,192 |
| | | | | | 947 | 1,790 | 3,248 | 7,416 | 1,462 | 3,705 | 4,622 |
| | | | | | 983 | 2,170 | 3,433 | 7,333 | 1,440 | 3,857 | 5,431 |
| | | | | | 917 | 1,567 | 3,619 | 7,189 | 1,401 | 3,919 | 6,049 |
| | | | | | 883 | 1,094 | 3,798 | 7,260 | 1,374 | 3,934 | 6,026 |
| | | | | | 826 | 1,132 | 3,872 | 7,522 | 1,394 | 4,055 | 5,967 |
| | | | | | 852 | 1,661 | 4,023 | 8,602 | 1,586 | 4,621 | 5,607 |
| | | | | | 943 | 1,982 | 4,122 | 9,196 | 1,641 | 4,807 | 5,456 |
| | | | | | 982 | 2,169 | 4,141 | 9,519 | 1,711 | 4,925 | 5,614 |
| | | | | | 918 | 2,165 | 3,949 | 9,513 | 1,736 | 5,000 | 5,837 |
| | | | | | 889 | 2,333 | 3,977 | 9,645 | 1,796 | 5,098 | 5,992 |
| | | | | | 916 | 2,603 | 4,166 | 10,012 | 1,862 | 5,278 | 6,348 |
| | | | | | 885 | 2,634 | 4,185 | 10,281 | 1,957 | 5,423 | 6,609 |
| | | | | | 844 | 2,644 | 4,224 | 10,533 | 2,025 | 5,486 | 6,645 |
| [illegible] | | | | | 745 | 2,628 | 4,020 | 10,519 | 2,091 | 5,520 | 6,714 |
| | Seasonally adjusted | | | | | | | | | | |
| | | | | | 876 | 2,618 | 4,212 | 10,494 | 1,993 | 5,441 | 6,727 |
| | | | | | 868 | 2,624 | 4,209 | 10,501 | 2,004 | 5,452 | 6,716 |
| | | | | | 856 | 2,624 | 4,213 | 10,494 | 2,008 | 5,467 | 6,660 |
| | | | | | 849 | 2,614 | 4,204 | 10,498 | 2,009 | 5,483 | 6,628 |
| | | | | | 851 | 2,607 | 4,236 | 10,524 | 2,014 | 5,479 | 6,582 |
| | | | | | 842 | 2,607 | 4,242 | 10,540 | 2,017 | 5,494 | 6,607 |
| July | 49,905 | 17,507 | 10,307 | 7,200 | 844 | 2,611 | 4,251 | 10,544 | 2,036 | 5,524 | 6,658 |
| August | 49,849 | 17,400 | 10,235 | 7,165 | 836 | 2,616 | 4,243 | 10,548 | 2,036 | 5,518 | 6,652 |
| September | 49,707 | 17,263 | 10,138 | 7,125 | 835 | 2,679 | 4,247 | 10,523 | 2,041 | 5,484 | 6,635 |
| October | 49,711 | 17,125 | 10,044 | 7,081 | 826 | 2,725 | 4,245 | 10,563 | 2,050 | 5,506 | 6,671 |
| November | 49,422 | 16,901 | 9,857 | 7,044 | 825 | 2,708 | 4,203 | 10,577 | 2,044 | 5,491 | 6,669 |
| December | 49,109 | 16,704 | 9,733 | 6,971 | 818 | 2,686 | 4,176 | 10,579 | 2,050 | 5,490 | 6,606 |
| | | | | | 805 | 2,581 | 4,118 | 10,577 | 2,054 | 5,497 | 6,693 |
| | | | | | 794 | 2,618 | 4,087 | 10,543 | 2,065 | 5,490 | 6,661 |
| | | | | | 772 | 2,654 | 4,012 | 10,552 | 2,067 | 5,488 | 6,634 |
| | | | | | 763 | 2,641 | 4,015 | 10,524 | 2,075 | 5,506 | 6,632 |
| | | | | | 744 | 2,634 | 4,011 | 10,494 | 2,081 | 5,508 | 6,667 |
| [illegible] | | | | | 740 | 2,624 | 4,016 | 10,480 | 2,083 | 5,518 | 6,647 |
| July | | | | | | | | | | | |
| August | | | | | | | | | | | |
| September | | | | | | | | | | | |
| October | | | | | | | | | | | |
| November [4] | | | | | | | | | | | |
| December [4] | | | | | | | | | | | |

[1] Includes all [illegible] during, or received pay for, any part of the pay period ending [illegible]. proprietors, self-employed persons, domestic servants, and unpaid family workers. Not compa[illegible] estimates of nonagricultural employment of the civilian labor force (appendix table D-16) which include proprietors, self-employed persons, domestic servants, and unpaid family workers, which count persons as employed when they are not at work because of industrial disputes, bad weather, or temporary layoffs, and which are based on a sample survey of households, whereas the estimates in this table are based on reports from employing establishments.

[2] Beginning with 1939, data are not strictly comparable with data shown for earlier years because of the shift of the automotive repair service industry from the trade to the service division.

[3] Not available.

[4] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Sources: Department of Labor and Board of Governors of the Federal Reserve System.

## TABLE D-23.—*Average weekly hours of work in selected industries, 1929–54*

| Period | Manufacturing: Total | Manufacturing: Durable goods | Manufacturing: Nondurable goods | Bituminous coal mining | Building construction | Class I railroads[1] | Telephone[1] | Wholesale trade | Retail trade (except eating and drinking places) | Laundries |
|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 44.2 | (²) | (²) | 38.4 | (²) | (²) | (²) | (²) | (²) | (²) |
| 1930 | 42.1 | (²) | (²) | 33.5 | (²) | (²) | (²) | (²) | (²) | (²) |
| 1931 | 40.5 | (²) | (²) | 28.3 | (²) | (²) | (²) | (²) | (²) | (²) |
| 1932 | 38.3 | 32.6 | 41.9 | 27.2 | (²) | (²) | (²) | (²) | (²) | (²) |
| 1933 | 38.1 | 34.8 | 40.0 | 29.5 | (²) | (²) | (²) | (²) | (²) | (²) |
| 1934 | 34.6 | 33.9 | 35.1 | 27.0 | 28.9 | (²) | (²) | (²) | (²) | 39.4 |
| 1935 | 36.6 | 37.2 | 36.1 | 26.4 | 30.1 | (²) | (²) | 41.2 | (²) | 41.0 |
| 1936 | 39.2 | 41.0 | 37.7 | 28.8 | 32.8 | (²) | (²) | 42.6 | (²) | 42.7 |
| 1937 | 38.6 | 40.0 | 37.4 | 27.9 | 33.4 | (²) | 38.8 | 42.8 | (²) | 42.6 |
| 1938 | 35.6 | 35.0 | 36.1 | 23.6 | 32.1 | (²) | 38.0 | [4]42.2 | (²) | 41.6 |
| 1939 | 37.7 | 38.0 | 37.4 | 27.1 | 32.6 | 43.7 | 39.1 | 41.7 | 42.7 | 41.8 |
| 1940 | 38.1 | 39.3 | 37.0 | 28.1 | 33.1 | 44.3 | 39.6 | 41.2 | 42.5 | 41.8 |
| 1941 | 40.6 | 42.1 | 38.9 | 31.1 | 34.8 | 45.8 | 40.1 | 41.0 | 42.1 | 42.1 |
| 1942 | 42.9 | 45.1 | 40.3 | 32.9 | 36.4 | 47.0 | 40.6 | 41.3 | 41.1 | 42.2 |
| 1943 | 44.9 | 46.6 | 42.5 | 36.6 | 38.4 | 48.7 | 41.9 | 42.2 | 40.3 | 42.9 |
| 1944 | 45.2 | 46.6 | 43.1 | 43.4 | 39.6 | 48.9 | 42.3 | 42.9 | 40.4 | 42.9 |
| 1945 | 43.4 | 44.1 | 42.3 | 42.3 | 39.0 | 48.5 | [3]41.7 | 42.7 | 40.3 | 42.8 |
| 1946 | 40.4 | 40.2 | 40.5 | 41.6 | 38.1 | 46.0 | 39.4 | 41.5 | 40.7 | 42.9 |
| 1947 | 40.4 | 40.6 | 40.1 | 40.7 | 37.6 | 46.4 | 37.4 | 41.0 | 40.3 | 42.6 |
| 1948 | 40.1 | 40.5 | 39.6 | 39.0 | [4]37.3 | 46.2 | 39.2 | 40.9 | 40.3 | 41.9 |
| 1949 | 39.2 | 39.5 | 38.8 | 32.6 | 36.7 | 43.7 | 38.5 | 40.7 | 40.4 | 41.5 |
| 1950 | 40.5 | 41.2 | 39.7 | 35.0 | 36.3 | 40.8 | 38.9 | 40.7 | 40.5 | 41.2 |
| 1951 | 40.7 | 41.6 | 39.5 | 35.2 | 37.2 | 41.0 | 39.1 | 40.7 | 40.2 | 41.1 |
| 1952 | 40.7 | 41.5 | 39.6 | 34.1 | 38.1 | 40.6 | 38.8 | 40.6 | 39.9 | 41.1 |
| 1953 | 40.6 | 41.3 | 39.5 | 34.4 | 37.0 | 40.6 | 38.7 | 40.5 | 39.3 | 40.6 |
| 1954[5] | 39.7 | 40.2 | 39.0 | 32.2 | 36.3 | (²) | 38.9 | 40.3 | 39.2 | 40.0 |
| 1953: January | 41.0 | 41.9 | 39.8 | 35.4 | 36.9 | 39.9 | 38.6 | 40.4 | 39.3 | 41.0 |
| February | 41.0 | 41.8 | 39.8 | 32.7 | 37.1 | 40.5 | 38.3 | 40.5 | 39.2 | 40.5 |
| March | 41.1 | 41.9 | 40.0 | 33.1 | 36.8 | 40.7 | 38.2 | 40.4 | 39.2 | 40.6 |
| April | 40.8 | 41.7 | 39.5 | 32.1 | 36.9 | 41.3 | 38.3 | 40.3 | 39.1 | 40.8 |
| May | 40.7 | 41.6 | 39.5 | 34.4 | 37.3 | 39.8 | 38.7 | 40.3 | 39.0 | 41.5 |
| June | 40.7 | 41.4 | 39.7 | 36.5 | 37.8 | 41.8 | 39.0 | 40.4 | 39.4 | 40.9 |
| July | 40.3 | 40.8 | 39.6 | 34.4 | 37.1 | 42.1 | 39.0 | 40.5 | 39.9 | 40.1 |
| August | 40.5 | 41.1 | 39.6 | 37.3 | 37.6 | 40.3 | 38.7 | 40.4 | 39.8 | 39.9 |
| September | 39.9 | 40.6 | 39.0 | 34.6 | 36.1 | 40.6 | 39.4 | 40.4 | 39.1 | 40.2 |
| October | 40.3 | 41.9 | 39.3 | 36.2 | 37.7 | 40.9 | 38.8 | 40.6 | 38.9 | 40.1 |
| November | 40.0 | 40.8 | 39.1 | 32.6 | 36.7 | 39.4 | 38.8 | 40.5 | 38.8 | 40.0 |
| December | 40.2 | 40.6 | 39.8 | 33.3 | 36.8 | 40.2 | 38.5 | 40.7 | 39.2 | 40.6 |
| 1954: January | 39.4 | 40.1 | 38.5 | 33.2 | 33.9 | 38.7 | 38.2 | 40.2 | 39.0 | 39.7 |
| February | 39.6 | 40.2 | 38.8 | 32.0 | 36.0 | 40.4 | 38.0 | 40.2 | 39.1 | 39.8 |
| March | 39.5 | 40.0 | 38.8 | 29.7 | 36.4 | 41.4 | 38.2 | 40.2 | 39.1 | 39.6 |
| April | 39.0 | 39.7 | 38.7 | 28.9 | 36.5 | 41.1 | 38.2 | 40.2 | 39.1 | 40.4 |
| May | 39.3 | 39.9 | 38.5 | 30.9 | 36.7 | 39.2 | 38.5 | 40.4 | 38.9 | 40.3 |
| [illegible] | [illegible] | 40.0 | 38.9 | 33.2 | 37.1 | 41.8 | 38.7 | 40.4 | 39.3 | 40.5 |
| [illegible] | | | | | | | | | | 40.0 |

to ...
pl ...
² Not ...
³ Data beginning with ...
⁴ Nine-month average, April through Dec...
⁵ Preliminary.

NOTE.—Data are for production workers in manuf... and for nonsupervisory employees in o... construction, and for nonsupervisory employees in ... periods ending closest to the middle of the month ... and not strictly comparable with ... averages of the monthly figures and not strictly comparable ... been weighted by data on employment.

Source: Department of Labor.

TABLE D-24.—*Average gross hourly earnings in selected industries, 1929–54*

| Period | Manufacturing: Total | Manufacturing: Durable goods | Manufacturing: [illegible] ble goods | [illegible] mining | [illegible] tion | [illegible] | [illegible] | [illegible] | [illegible] drinking places) | Laundries | Agriculture[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | $0.566 | (4) | (4) | $0.681 | (4) | (4) | (4) | (4) | (4) | (4) | $0.241 |
| 1930 | .552 | (4) | (4) | .684 | (4) | (4) | (4) | (4) | (4) | (4) | .226 |
| 1931 | .515 | (4) | (4) | .647 | (4) | (4) | (4) | (4) | (4) | (4) | .172 |
| 1932 | .446 | $0.497 | $0.420 | .520 | (4) | (4) | (4) | (4) | (4) | (4) | .129 |
| 1933 | .442 | .472 | .427 | .501 | (4) | (4) | (4) | (4) | (4) | (4) | .114 |
| 1934 | .532 | .556 | .515 | .673 | $0.795 | (4) | (4) | (4) | (4) | $0.373 | .129 |
| 1935 | .550 | .577 | .530 | .745 | .815 | (4) | (4) | $0.648 | (4) | .378 | .142 |
| 1936 | .556 | .586 | .529 | .794 | .824 | (4) | (4) | .657 | (4) | .378 | .152 |
| 1937 | .624 | .674 | .577 | .856 | .903 | (4) | $0.774 | .698 | (4) | .395 | .172 |
| 1938 | .627 | .686 | .584 | .878 | .908 | (4) | .816 | [5] .700 | (4) | .414 | .166 |
| 1939 | .633 | .698 | .582 | .886 | .932 | $0.730 | .822 | .715 | $0.542 | .422 | .166 |
| 1940 | .661 | .724 | .602 | .883 | .958 | .733 | .827 | .739 | .553 | .429 | .169 |
| 1941 | .729 | .808 | .640 | .993 | 1.010 | .743 | .820 | .793 | .580 | .444 | .206 |
| 1942 | .853 | .947 | .723 | 1.059 | 1.148 | .837 | .843 | .860 | .626 | .482 | .268 |
| 1943 | .961 | 1.059 | .803 | 1.139 | 1.252 | .852 | .870 | .933 | .679 | .538 | .353 |
| 1944 | 1.019 | 1.117 | .861 | 1.186 | 1.319 | .948 | .911 | .985 | .731 | .605 | .423 |
| [1945, illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.029 | .783 | .648 | .472 |
| [1946, illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.150 | .893 | .704 | .515 |
| [1947, illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.268 | 1.009 | .767 | .547 |
| [1948, illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.359 | 1.088 | .817 | .580 |
| [1949, illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1.414 | 1.137 | .843 | .559 |
| 1950 | 1.465 | 1.537 | 1.378 | 2.010 | 2.031 | 1.572 | 1.398 | 1.483 | 1.176 | .861 | .561 |
| 1951 | 1.59 | 1.67 | 1.48 | 2.21 | 2.19 | 1.73 | 1.49 | 1.58 | 1.26 | .92 | .625 |
| 1952 | 1.67 | 1.77 | 1.54 | 2.29 | 2.31 | 1.83 | 1.59 | 1.67 | 1.32 | .94 | .661 |
| 1953 | 1.77 | 1.87 | 1.61 | 2.48 | 2.48 | 1.88 | 1.68 | 1.77 | 1.40 | .98 | .672 |
| 1954 [7] | 1.81 | 1.92 | 1.66 | 2.48 | 2.60 | (4) | 1.78 | 1.83 | 1.45 | 1.00 | .661 |
| 1953: January | 1.74 | 1.84 | 1.58 | 2.48 | 2.41 | 1.87 | 1.65 | 1.71 | 1.36 | .96 | .715 |
| February | 1.74 | 1.85 | 1.58 | 2.49 | 2.42 | 1.93 | 1.66 | 1.72 | 1.37 | .96 | ------ |
| March | 1.75 | 1.85 | 1.59 | 2.47 | 2.44 | 1.85 | 1.65 | 1.73 | 1.37 | .97 | ------ |
| April | 1.75 | 1.86 | 1.59 | 2.48 | 2.44 | 1.86 | 1.65 | 1.76 | 1.38 | .97 | .681 |
| May | 1.76 | 1.86 | 1.60 | 2.47 | 2.44 | 1.87 | 1.67 | 1.76 | 1.39 | .98 | ------ |
| June | 1.77 | 1.87 | 1.60 | 2.50 | 2.44 | 1.86 | 1.67 | 1.76 | 1.40 | .98 | ------ |
| July | 1.77 | 1.88 | 1.61 | 2.47 | 2.47 | 1.86 | 1.65 | 1.78 | 1.41 | .98 | .675 |
| August | 1.77 | 1.88 | 1.61 | 2.49 | 2.49 | 1.87 | 1.68 | 1.78 | 1.41 | .98 | ------ |
| September | 1.79 | 1.90 | 1.63 | 2.49 | 2.52 | 1.88 | 1.73 | 1.80 | 1.42 | .99 | ------ |
| October | 1.79 | 1.90 | 1.62 | 2.48 | 2.54 | 1.89 | 1.71 | 1.79 | 1.42 | .99 | .697 |
| November | 1.79 | 1.89 | 1.63 | 2.49 | 2.55 | 1.93 | 1.75 | 1.79 | 1.42 | 1.00 | ------ |
| December | 1.80 | 1.90 | 1.64 | 2.47 | 2.57 | 1.91 | 1.71 | 1.80 | 1.39 | 1.00 | ------ |
| 1954: January | 1.80 | 1.91 | 1.65 | 2.48 | 2.58 | 1.94 | 1.72 | 1.81 | 1.43 | 1.00 | .730 |
| February | 1.80 | 1.90 | 1.65 | 2.47 | 2.59 | 1.96 | 1.73 | 1.80 | 1.43 | 1.00 | ------ |
| March | 1.79 | 1.90 | 1.65 | 2.46 | 2.59 | 1.90 | 1.72 | 1.81 | 1.43 | 1.00 | ------ |
| April | 1.80 | 1.90 | 1.65 | 2.48 | 2.58 | 1.94 | 1.73 | 1.82 | 1.43 | 1.01 | .680 |
| May | 1.81 | 1.91 | 1.66 | 2.47 | 2.58 | 1.94 | 1.75 | 1.83 | 1.45 | 1.00 | ------ |
| June | 1.81 | 1.91 | 1.66 | 2.50 | 2.58 | 1.91 | 1.74 | 1.83 | 1.46 | 1.00 | ------ |
| July | 1.80 | 1.91 | 1.66 | 2.48 | 2.58 | 1.93 | 1.75 | 1.84 | 1.47 | 1.00 | .663 |
| August | 1.79 | 1.91 | 1.65 | 2.48 | 2.60 | 1.97 | 1.74 | 1.84 | 1.47 | 1.00 | ------ |
| September | 1.81 | 1.93 | 1.66 | 2.49 | 2.62 | 1.94 | 1.79 | 1.85 | 1.47 | 1.01 | ------ |
| October | 1.81 | 1.93 | 1.66 | 2.48 | 2.63 | 1.94 | 1.81 | 1.85 | 1.47 | 1.00 | .678 |
| November [7] | 1.83 | 1.94 | 1.67 | 2.48 | 2.62 | (4) | 1.83 | 1.85 | 1.46 | 1.00 | ------ |
| December [7] | 1.83 | 1.95 | 1.67 | (4) | (4) | (4) | (4) | (4) | (4) | (4) | ------ |

[illegible] only.

[3] Composite rate per hour. Weighted average of all farm wage rates on a per hour basis.

[4] Not available.

[5] Data beginning with January of year noted are not comparable with those for earlier periods.

[6] Nine-month average, April through December, because of new series started in April 1941.

[7] Preliminary.

[illegible]

Sources: Department of Labor and Department of Agriculture.

TABLE D-25.—*Average gross weekly earnings in selected industries, 1929–54*

| Period | Manufacturing: Total | Manufacturing: Durable goods | Manufacturing: Nondurable goods | Bituminous coal mining | Building construction | Class I railroads [2] | Telephone [3] | Wholesale trade | Retail trade (except eating and drinking places) | Laundries |
|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | $25.03 | $27.22 | $22.93 | $25.72 | (1) | (1) | (1) | (1) | (1) | (1) |
| 1930 | 23.25 | 24.77 | 21.84 | 22.21 | (1) | (1) | (1) | (1) | (1) | (1) |
| 1931 | 20.87 | 21.28 | 20.50 | 17.69 | (1) | (1) | (1) | (1) | (1) | (1) |
| 1932 | 17.05 | 16.21 | 17.57 | 13.91 | (1) | (1) | (1) | $27.72 | (1) | (1) |
| 1933 | 16.73 | 16.43 | 16.89 | 14.47 | (1) | (1) | (1) | 26.11 | (1) | (1) |
| 1934 | 18.40 | 18.87 | 18.05 | 18.10 | $22.97 | (1) | (1) | 20.37 | (1) | $14.59 |
| 1935 | 20.13 | 21.52 | 19.11 | 19.58 | 24.51 | (1) | (1) | 26.76 | (1) | 15.42 |
| 1936 | 21.78 | 24.04 | 19.94 | 22.71 | 27.01 | (1) | (1) | 28.41 | (1) | 16.14 |
| 1937 | 24.05 | 26.91 | 21.53 | 23.64 | 30.14 | (1) | $30.03 | 29.87 | (1) | 16.83 |
| 1938 | 22.30 | 24.01 | 21.05 | 20.80 | 29.19 | (1) | 31.74 | [4] 29.54 | (1) | 17.22 |
| 1939 | 23.86 | 26.50 | 21.78 | 23.88 | 30.39 | $31.90 | 32.14 | 29.82 | $23.14 | 17.64 |
| 1940 | 25.20 | 28.44 | 22.27 | 24.71 | 31.70 | 32.47 | 32.67 | 30.45 | 23.50 | 17.93 |
| 1941 | 29.58 | 34.04 | 24.92 | 30.86 | 35.14 | 34.03 | 32.88 | 32.51 | 24.42 | 18.69 |
| 1942 | 36.65 | 42.73 | 29.13 | 35.02 | 41.80 | 39.34 | 34.14 | 35.52 | 25.73 | 20.34 |
| 1943 | 43.14 | 49.30 | 34.12 | 41.62 | 48.13 | 41.69 | 38.43 | 39.37 | 27.38 | 23.09 |
| 1944 | 46.08 | 52.07 | 37.12 | 51.27 | 52.18 | 46.36 | 38.54 | 42.26 | 29.53 | 25.95 |
| 1945 | 44.39 | 49.05 | 38.29 | 52.25 | 53.73 | 48.32 | [5] 40.12 | 43.94 | 31.55 | 27.73 |
| 1946 | 43.82 | 46.49 | 41.14 | 58.03 | 56.24 | 50.00 | 44.29 | 47.73 | 36.35 | 30.20 |
| 1947 | 49.97 | 52.46 | 46.96 | 66.59 | 63.30 | 55.03 | 44.77 | 51.99 | 40.66 | 32.71 |
| 1948 | 54.14 | 57.11 | 50.61 | 72.12 | [5] 68.85 | 60.11 | 48.92 | 55.58 | 43.85 | 34.23 |
| 1949 | 54.92 | 58.03 | 51.41 | 63.28 | 70.95 | 62.36 | 51.78 | 57.55 | 45.93 | 34.98 |
| 1950 | 59.33 | 63.32 | 54.71 | 70.35 | 73.73 | 64.14 | 54.38 | 60.36 | 47.63 | 35.47 |
| 1951 | 64.71 | 69.47 | 58.46 | 77.79 | 81.47 | 70.93 | 58.26 | 64.31 | 50.65 | 37.81 |
| 1952 | 67.97 | 73.46 | 60.98 | 78.09 | 88.01 | 74.30 | 62.22 | 67.80 | 52.67 | 38.63 |
| 1953 | 71.69 | 77.23 | 63.60 | 85.31 | 91.76 | 76.33 | 65.02 | 71.69 | 55.02 | 39.69 |
| 1954 [6] | 71.64 | 77.01 | 64.59 | 79.95 | 94.19 | (1) | 68.23 | 73.83 | 56.89 | 40.10 |
| 1953: January | 71.34 | 77.10 | 62.88 | 87.79 | 88.93 | 74.61 | 63.69 | 69.08 | 53.45 | 39.36 |
| February | 71.34 | 77.33 | 62.88 | 81.42 | 89.76 | 76.95 | 63.58 | 69.66 | 53.70 | 38.88 |
| March | 71.93 | 77.52 | 63.60 | 81.76 | 89.79 | 75.30 | 63.03 | 69.89 | 53.70 | 39.38 |
| April | 71.40 | 77.56 | 62.81 | 79.61 | 90.04 | 76.82 | 63.20 | 70.53 | 53.96 | 39.58 |
| May | 71.63 | 77.19 | 63.20 | 84.97 | 91.01 | 74.43 | 64.63 | 70.93 | 54.21 | 40.67 |
| June | 72.04 | 77.42 | 63.52 | 91.25 | 92.23 | 77.75 | 65.13 | 71.10 | 55.16 | 40.08 |
| July | 71.33 | 76.70 | 63.76 | 84.97 | 91.64 | 78.31 | 64.35 | 72.09 | 56.26 | 39.30 |
| August | 71.69 | 77.27 | 63.76 | 92.88 | 93.62 | 75.38 | 64.24 | 71.91 | 56.12 | 39.10 |
| September | 71.42 | 77.14 | 63.57 | 86.15 | 90.97 | 76.33 | 68.16 | 72.72 | 55.52 | 39.80 |
| October | 72.14 | 77.90 | 63.67 | 89.78 | 95.78 | 77.30 | 66.01 | 72.67 | 55.24 | 39.70 |
| November | 71.60 | 76.78 | 63.73 | 81.17 | 93.59 | 76.04 | 67.90 | 72.50 | 55.10 | 40.00 |
| December | 72.36 | 77.52 | 64.45 | 82.25 | 93.29 | 76.73 | 65.84 | 73.26 | 54.49 | 40.60 |
| 1954: January | 70.92 | 76.59 | 63.53 | 82.34 | 87.48 | 75.08 | 65.70 | 72.76 | 55.77 | 39.70 |
| February | 71.28 | 76.38 | 64.02 | 79.04 | 93.24 | 79.18 | 65.74 | 72.36 | 55.91 | 39.80 |
| March | 70.71 | 76.00 | 64.02 | 73.06 | 94.28 | 78.66 | 65.70 | 72.76 | 55.91 | 39.60 |
| April | 70.20 | 75.43 | 62.87 | 71.67 | 94.17 | 78.50 | 66.09 | 73.16 | 55.91 | 40.80 |
| May | 71.13 | 76.21 | 63.91 | 78.32 | 94.69 | 76.05 | 67.38 | 73.93 | 56.41 | 40.30 |
| June | 71.68 | 76.40 | 64.57 | 83.00 | 95.72 | 79.84 | 67.34 | 73.93 | 57.38 | 40.50 |
| July | 70.92 | 75.83 | 64.74 | 75.39 | 95.20 | 77.59 | 68.60 | 74.34 | 58.51 | 40.00 |
| August | 71.06 | 76.59 | 64.68 | 82.09 | 96.20 | 79.10 | 67.69 | 74.34 | 58.56 | 39.40 |
| September | 71.86 | 77.39 | 65.24 | 81.17 | 94.32 | 80.32 | 71.60 | 74.74 | 57.62 | 40.50 |
| October | 72.22 | 77.97 | 65.07 | 87.54 | 96.26 | 78.38 | 72.04 | 74.93 | 57.18 | 40.50 |
| November [6] | 73.57 | 79.15 | 65.97 | 87.79 | 94.58 | (1) | 72.65 | 74.93 | 56.65 | 40.00 |
| | 71.12 | 80.15 | 66.47 | (1) | (1) | (1) | (1) | (1) | (1) | (1) |

all
on

Source: Department of Labor.

TABLE D-26.—*Industrial production indexes, 1929–54*

[1947–49=100]

| Period | Industrial production: Total | Manufactures: Total | Durable: Total | Durable: Primary metals | Durable: [illegible] | Durable: [illegible] | Durable: [illegible] | Durable: [illegible] | Durable: [illegible] | Durable: [illegible]ucts | Durable: Furniture and fixtures |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929 | 59 | 58 | 60 | | | | | | | | |
| 1930 | 49 | 48 | [illegible] | | | | | | | | |
| 1931 | 40 | 39 | | | | | | | | | |
| 1932 | 31 | 30 | | | | | | | | | |
| 1933 | 37 | 36 | | | | | | | | | |
| 1934 | 40 | 39 | | | | | | | | | |
| 1935 | 47 | 46 | | | | | | | | | |
| 1936 | 56 | 55 | | | | | | | | | |
| 1937 | 61 | 60 | | | | | | | | | |
| 1938 | 48 | 46 | | | | | | | | | |
| 1939 | 58 | 57 | | | | | | | | | |
| 1940 | 67 | 66 | | | | | | | | | |
| 1941 | 87 | 88 | | | | | | | | | |
| 1942 | 106 | 110 | | | | | | | | | |
| 1943 | 127 | 133 | | | | | | | | | |
| 1944 | 125 | 130 | | | | | | | | | |
| 1945 | 107 | 110 | 123 | | | | | | | | |
| 1946 | 90 | 90 | 86 | | | | | | | | |
| 1947 | 100 | 100 | 101 | 103 | 103 | 104 | 101 | 96 | 100 | 100 | 100 |
| 1948 | 104 | 103 | 104 | 107 | 104 | 106 | 101 | 102 | 105 | 105 | 104 |
| 1949 | 97 | 97 | 95 | 90 | 93 | 90 | 98 | 102 | 95 | 95 | 95 |
| 1950 | 112 | 113 | 116 | 115 | 115 | 105 | 131 | 120 | 114 | 115 | 117 |
| 1951 | 120 | 121 | 128 | 126 | 122 | 126 | 138 | 135 | 128 | 121 | 116 |
| 1952 | 124 | 125 | 136 | 116 | 121 | 136 | 167 | 164 | 142 | 118 | 115 |
| 1953 | 134 | 136 | 153 | 132 | 136 | 143 | 194 | 189 | 155 | 125 | 131 |
| 1954 [1] | 125 | 127 | 138 | 108 | 123 | 125 | 177 | 175 | 140 | 123 | 121 |
| | Seasonally adjusted | | | | | | | | | | |
| 1953: January | 134 | 136 | 154 | 135 | 135 | 144 | 203 | 191 | 153 | 126 | 129 |
| February | 134 | 136 | 155 | 137 | 138 | 145 | 200 | 191 | 153 | 128 | 128 |
| March | 135 | 137 | 155 | 136 | 137 | 147 | 195 | 190 | 155 | 127 | 131 |
| April | 136 | 138 | 155 | 136 | 138 | 147 | 195 | 190 | 153 | 127 | 134 |
| May | 137 | 139 | 156 | 139 | 139 | 146 | 194 | 192 | 156 | 127 | 135 |
| June | 136 | 138 | 154 | 137 | 139 | 144 | 194 | 188 | 157 | 124 | 135 |
| July | 137 | 139 | 157 | 136 | 142 | 145 | 200 | 196 | 156 | 127 | 134 |
| August | 136 | 138 | 157 | 137 | 140 | 145 | 203 | 191 | 156 | 125 | 133 |
| September | 133 | 135 | 152 | 130 | 135 | 141 | 200 | 186 | 155 | 124 | 129 |
| October | 132 | 134 | 151 | 128 | 134 | 141 | 193 | 189 | 154 | 124 | 129 |
| November | 129 | 131 | 148 | 122 | 130 | 136 | 184 | 180 | 153 | 123 | 126 |
| December | 126 | 127 | 142 | 113 | 126 | 133 | 172 | 182 | 154 | 119 | 124 |
| 1954: January | 125 | 127 | 141 | 111 | 126 | 130 | 169 | 183 | 148 | 120 | 120 |
| February | 125 | 126 | 139 | 109 | 123 | 130 | 163 | 179 | 147 | 125 | 120 |
| March | 123 | 125 | 135 | 103 | 120 | 125 | 163 | 173 | 144 | 123 | 119 |
| April | 123 | 125 | 134 | 103 | 119 | 125 | 163 | 174 | 139 | 121 | 117 |
| May | 126 | 126 | 136 | 106 | 121 | 124 | 163 | 178 | 138 | 125 | 115 |
| June | 124 | 125 | 135 | 108 | 122 | 124 | 170 | 170 | 135 | 118 | 120 |
| July | 123 | 124 | 134 | 103 | 122 | 125 | 173 | 170 | 136 | 113 | 120 |
| August | 123 | 125 | 135 | 105 | 124 | 125 | 181 | 166 | 135 | 114 | 123 |
| September | 124 | 126 | 136 | 105 | 121 | 125 | 189 | 161 | 137 | 124 | 123 |
| October | 126 | 128 | 139 | 110 | 124 | 123 | 193 | 164 | 137 | 130 | 123 |
| November | 129 | 131 | 143 | 118 | 128 | 123 | 199 | 164 | 138 | 130 | 123 |
| December [1] | 130 | 132 | 145 | 120 | 123 | 120 | 193 | 198 | 142 | 129 | 124 |

See footnotes at end of table.

Table D-26.—*Industrial production indexes, 1929-54*—Continued

[1947-49=100]

| Period | Industrial production | | | | | | | Output of consumer durables | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Manufactures | | | | | | Minerals | | | | |
| | Nondurable | | | | | | | | | | |
| | Total | Textiles and apparel | Rubber and leather products | Paper and printing | Chemical and petroleum products | Foods, beverages, and tobacco | | Total | Autos | Major household goods | Other consumer durables |
| 1929 | 66 | | | | | | 68 | | | | |
| 1930 | 51 | | | | | | 59 | | | | |
| 1931 | 48 | | | | | | 51 | | | | |
| 1932 | 42 | | | | | | 42 | | | | |
| 1933 | 48 | | | | | | 49 | | | | |
| 1934 | 49 | | | | | | 51 | | | | |
| 1935 | 55 | | | | | | 55 | | | | |
| 1936 | 61 | | | | | | 63 | | | | |
| 1937 | 64 | | | | | | 71 | | | | |
| 1938 | 57 | | | | | | 62 | | | | |
| 1939 | 66 | | | | | | 68 | | | | |
| 1940 | 69 | | | | | | 76 | | | | |
| 1941 | 84 | | | | | | 81 | | | | |
| 1942 | 93 | | | | | | 84 | | | | |
| 1943 | 103 | | | | | | 87 | | | | |
| 1944 | 99 | | | | | | 93 | | | | |
| 1945 | 96 | | | | | | 92 | | | | |
| 1946 | 95 | | | | | | 91 | | | | |
| 1947 | 99 | 99 | 106 | 96 | 97 | 101 | 100 | 98 | 85 | 99 | 109 |
| 1948 | 102 | 103 | 101 | 103 | 103 | 100 | 106 | 102 | 93 | 105 | 105 |
| 1949 | 99 | 97 | 93 | 101 | 100 | 100 | 94 | 101 | 122 | 96 | 96 |
| 1950 | 111 | 110 | 110 | 114 | 118 | 103 | 105 | 133 | 159 | 143 | 95 |
| 1951 | 114 | 106 | 105 | 118 | 132 | 105 | 115 | 114 | 127 | 118 | 96 |
| 1952 | 114 | 105 | 107 | 118 | 133 | 106 | 114 | 105 | 103 | 115 | 95 |
| 1953 | 118 | 107 | 113 | 125 | 142 | 107 | 116 | 127 | 146 | 132 | 102 |
| 1954 [1] | 116 | 100 | 104 | 125 | 142 | 106 | 111 | 116 | 131 | 122 | 96 |
| | Seasonally adjusted | | | | | | | | | | |
| 1953: January | 117 | 107 | 117 | 121 | 138 | 106 | 116 | 127 | 137 | 140 | 101 |
| February | 118 | 108 | 118 | 123 | 139 | 108 | 116 | 130 | 146 | 141 | 102 |
| March | 119 | 110 | 119 | 125 | 140 | 108 | 115 | 132 | 150 | 140 | 103 |
| April | 121 | 113 | 120 | 125 | 144 | 108 | 115 | 135 | 157 | 144 | 103 |
| May | 123 | 115 | 122 | 126 | 146 | 109 | 117 | 138 | 160 | 148 | 104 |
| June | 121 | 113 | 113 | 126 | 145 | 106 | 119 | 134 | 168 | 139 | 103 |
| July | 121 | 111 | 116 | 126 | 146 | 107 | 120 | 137 | 164 | 143 | 102 |
| August | 119 | 106 | 111 | 126 | 143 | 108 | 119 | 129 | 150 | 136 | 101 |
| September | 117 | 102 | 105 | 126 | 143 | 108 | 118 | 121 | 137 | 125 | 101 |
| October | 117 | 102 | 105 | 126 | 142 | 108 | 114 | 118 | 132 | 121 | 101 |
| November | 115 | 98 | 103 | 125 | 141 | 108 | 111 | 112 | 127 | 110 | 101 |
| December | 112 | 95 | 104 | 122 | 140 | 103 | 113 | 109 | 127 | 104 | 97 |
| 1954: January | 113 | 97 | 103 | 122 | 138 | 105 | 113 | 112 | 133 | 107 | 95 |
| February | 114 | 98 | 102 | 123 | 141 | 105 | 113 | 113 | 134 | 110 | 96 |
| March | 114 | 99 | 103 | 124 | 139 | 106 | 112 | 112 | 133 | 109 | 94 |
| April | 115 | 101 | 103 | 125 | 140 | 106 | 109 | 116 | 139 | 115 | 93 |
| May | 117 | 101 | 106 | 126 | 142 | 110 | 111 | 119 | 145 | 120 | 93 |
| June | 116 | 99 | 107 | 128 | 142 | 108 | 114 | 119 | 136 | 124 | 96 |
| July | 114 | 98 | 99 | 126 | 141 | 105 | 112 | 117 | 127 | 128 | 93 |
| August | 114 | 98 | 97 | 126 | 141 | 105 | 109 | 115 | 121 | 131 | 91 |
| September | 115 | 93 | 103 | 127 | 144 | 105 | 108 | 109 | 94 | 134 | 98 |
| October | 117 | 103 | 108 | 127 | 143 | 105 | 109 | 106 | 86 | 132 | 98 |
| November | 118 | 104 | 108 | 127 | 144 | 105 | 112 | 123 | 144 | 132 | 99 |
| December [1] | 119 | 107 | 109 | 127 | 147 | 105 | 115 | 133 | 166 | 133 | 101 |

[1] Preliminary.

Note.—Prior to 1947, detail not available.

Source: Board of Governors of the Federal Reserve System.

## TABLE D–27.—*Farm production indexes, 1929–54*

[1947–49=100]

| Year | Farm output [1] | All live-stock and products | Crops: All crops [2] | Crops: Feed used by farm horses and mules [3] |
|---|---|---|---|---|
| 1929 | 74 | 77 | 79 | 227 |
| 1930 | 72 | 78 | 76 | 219 |
| 1931 | 79 | 80 | 84 | 212 |
| 1932 | 76 | 81 | 80 | 204 |
| 1933 | 70 | 82 | 71 | 198 |
| 1934 | 60 | 75 | 68 | 194 |
| [illegible] | 72 | 72 | 76 | 191 |
| [illegible] | 65 | 77 | 64 | 186 |
| [illegible] | 82 | 76 | 88 | 182 |
| [illegible] | 79 | 79 | 83 | 176 |
| [illegible] | 80 | 85 | 82 | 171 |
| 1940 | 83 | 87 | 85 | 167 |
| 1941 | 86 | 92 | 86 | 162 |
| 1942 | 96 | 102 | 97 | 155 |
| 1943 | 94 | 111 | 91 | 148 |
| 1944 | 97 | 105 | 96 | 140 |
| 1945 | 96 | 104 | 93 | 131 |
| 1946 | 98 | 101 | 98 | 122 |
| 1947 | 95 | 100 | 93 | 110 |
| 1948 | 104 | 97 | 106 | 100 |
| 1949 | 101 | 103 | 101 | 90 |
| 1950 | 100 | 106 | 97 | 82 |
| 1951 | 103 | 111 | 99 | 74 |
| 1952 | 107 | 112 | 103 | 64 |
| 1953 | 108 | 114 | 103 | 57 |
| 1954 | 108 | 119 | 100 | 61 |

[1] Net production during year which could be made available for sale or farm home use. Excludes production of feed for horses and mules.
[2] Includes production of feed for horses and mules.
[3] Not included in total farm output.

Source: Department of Agriculture.

TABLE D-28.—*Business expenditures for new plant and equipment, 1939 and 1945–55*

[Billions of dollars]

| Period | Total [1] | Manufacturing | | | Mining | Transportation | | Public utilities | Commercial and other [2] |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Durable goods | Nondurable goods | | Railroad | Other | | |
| 1939 | 5.51 | 1.94 | 0.76 | 1.19 | 0.33 | 0.28 | 0.36 | 0.52 | 2.08 |
| 1945 | 8.69 | 3.98 | 1.59 | 2.39 | .38 | .55 | .57 | .50 | 2.70 |
| 1946 | 14.85 | 6.79 | 3.11 | 3.68 | .43 | .58 | .92 | .79 | 5.33 |
| 1947 | 20.61 | 8.70 | 3.41 | 5.30 | .69 | .89 | 1.30 | 1.54 | 7.49 |
| 1948 | 22.06 | 9.13 | 3.48 | 5.65 | .88 | 1.32 | 1.28 | 2.54 | 6.90 |
| 1949 | 19.28 | 7.15 | 2.59 | 4.56 | .79 | 1.35 | .89 | 3.12 | 5.98 |
| 1950 | 20.60 | 7.49 | 3.14 | 4.36 | .71 | 1.11 | 1.21 | 3.31 | 6.78 |
| 1951 | 25.64 | 10.85 | 5.17 | 5.68 | .93 | 1.47 | 1.49 | 3.66 | 7.24 |
| 1952 | 26.49 | 11.63 | 5.61 | 6.02 | .98 | 1.40 | 1.50 | 3.89 | 7.09 |
| 1953 | 28.39 | 12.28 | 5.82 | 6.46 | 1.01 | 1.31 | 1.46 | 4.55 | 7.78 |
| 1954 [3 4] | 26.68 | 11.24 | 5.16 | 6.08 | 1.02 | .85 | 1.41 | 4.21 | 7.96 |
| | Seasonally adjusted annual rates | | | | | | | | |
| 1953: First half | 28.16 | 12.30 | 5.93 | 6.37 | 0.94 | 1.34 | 1.38 | 4.52 | 7.67 |
| Second half | 28.74 | 12.26 | 5.72 | 6.54 | 1.08 | 1.28 | 1.56 | 4.59 | 7.97 |
| 1954: First half | 27.34 | 11.62 | 5.40 | 6.22 | 1.00 | .99 | 1.42 | 4.36 | 7.94 |
| Second half [4] | 25.80 | 11.20 | 5.08 | 6.12 | 1.06 | .70 | 1.40 | 4.10 | 8.34 |
| 1953: First quarter | 27.84 | 12.35 | 5.98 | 6.36 | .96 | 1.34 | 1.38 | 4.40 | 7.42 |
| Second quarter | 28.48 | 12.26 | 5.88 | 6.38 | .93 | 1.34 | 1.38 | 4.64 | 7.92 |
| Third quarter | 28.92 | 12.30 | 5.76 | 6.54 | 1.06 | 1.30 | 1.59 | 4.72 | 7.94 |
| Fourth quarter | 28.56 | 12.22 | 5.69 | 6.53 | 1.10 | 1.28 | 1.52 | 4.46 | 8.00 |
| 1954: First quarter | 27.48 | 11.87 | 5.50 | 6.37 | .95 | 1.06 | 1.47 | 4.29 | 7.84 |
| Second quarter | 27.19 | 11.37 | 5.29 | 6.08 | 1.06 | .92 | 1.36 | 4.43 | 8.05 |
| Third quarter | 27.00 | 11.30 | 5.15 | 6.15 | 1.02 | .79 | 1.40 | 4.12 | 8.37 |
| Fourth quarter [4] | 25.89 | 11.11 | 5.01 | 6.10 | 1.10 | .62 | 1.39 | 4.07 | 8.30 |
| 1955: First quarter [4] | 26.03 | 10.79 | 4.96 | 5.83 | .93 | .74 | 1.40 | 3.78 | 8.40 |

[4] Estimates for fourth quarter of 1954 and first quarter of 1955 based on anticipated capital expenditures reported by business in November 1954.

NOTE.—These figures do not agree with those shown in column 2 of appendix table D-7 which are included in the gross national product estimates of the Department of Commerce, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense.

This series is not available for years prior to 1939 and for 1940 to 1944.

Detail will not necessarily add to totals because of rounding.

Sources: Securities and Exchange Commission and Department of Commerce.



325643—55——12

## Table D–29.—*New construction activity, 1929–54*

[Value put in place, millions of dollars]

| Period | Total new construction | Private construction: Total private [1] | Private construction: Residential building (nonfarm) | Private construction: Nonresidential building (nonfarm): Commercial and industrial | Private construction: Nonresidential building (nonfarm): Other | Private construction: Other private [2] | Total public construction |
|---|---|---|---|---|---|---|---|
| 1929 | 10,793 | 8,307 | 3,625 | 2,084 | 610 | 1,988 | 2,486 |
| 1930 | 8,741 | 5,883 | 2,075 | 1,425 | 578 | 1,805 | 2,858 |
| 1931 | 6,427 | 3,768 | 1,565 | 675 | 424 | 1,104 | 2,659 |
| 1932 | 3,538 | 1,676 | 630 | 297 | 235 | 844 | 2,302 |
| 1933 | 2,879 | 1,231 | 470 | 308 | 100 | 355 | 1,648 |
| 1934 | 3,720 | 1,509 | 625 | 364 | 92 | 428 | 2,211 |
| 1935 | 4,232 | 1,999 | 1,010 | 369 | 103 | 517 | 2,233 |
| 1936 | 6,497 | 2,981 | 1,565 | 656 | 157 | 703 | 3,516 |
| 1937 | 6,999 | 3,903 | 1,875 | 879 | 206 | 941 | 3,096 |
| 1938 | 6,980 | 3,560 | 1,990 | 617 | 247 | 806 | 3,420 |
| 1939 | 8,198 | 4,389 | 2,680 | 546 | 240 | 923 | 3,809 |
| 1940 | 8,682 | 5,054 | 2,985 | 790 | 235 | 1,044 | 3,628 |
| 1941 | 11,957 | 6,206 | 3,510 | 1,210 | 272 | 1,214 | 5,751 |
| 1942 | 14,075 | 3,415 | 1,715 | 501 | 134 | 1,065 | 10,660 |
| 1943 | 8,301 | 1,979 | 885 | 189 | 44 | 861 | 8,322 |
| 1944 | 5,259 | 2,186 | 815 | 264 | 87 | 1,020 | 3,073 |
| 1945 | 5,633 | 3,235 | 1,100 | 845 | 175 | 1,115 | 2,398 |
| 1946 | 12,000 | 9,638 | 4,015 | 2,821 | 520 | 2,282 | 2,362 |
| 1947 | 16,689 | 13,256 | 6,310 | 2,558 | 584 | 3,804 | 3,433 |
| 1948 | 21,678 | 16,853 | 8,580 | 2,050 | 971 | 4,652 | 4,825 |
| 1949 | 22,789 | 16,384 | 8,267 | 1,989 | 1,229 | 4,889 | 6,405 |
| 1950 | 28,454 | 21,454 | 12,600 | 2,350 | 1,427 | 5,077 | 7,000 |
| 1951 | 31,182 | 21,764 | 10,973 | 3,488 | 1,664 | 5,639 | 9,419 |
| 1952 | 33,008 | 22,107 | 11,100 | 3,457 | 1,557 | 5,993 | 10,901 |
| 1953 | 35,256 | 23,877 | 11,930 | 4,020 | 1,600 | 6,267 | 11,279 |
| 1954 [3] | 37,170 | 25,720 | 13,450 | 4,193 | 1,996 | 6,081 | 11,450 |
| | Seasonally adjusted annual rates | | | | | | |
| 1953: First half | 35,522 | 23,798 | 11,958 | 3,978 | 1,604 | 6,258 | 11,724 |
| Second half | 34,990 | 23,956 | 11,902 | 4,062 | 1,716 | 6,276 | 11,034 |
| 1954: First half | 36,430 | 24,644 | 12,388 | 4,234 | 1,928 | 6,096 | 11,786 |
| Second half [3] | 37,910 | 26,796 | 14,512 | 4,152 | 2,066 | 6,066 | 11,114 |
| 1953: January | 34,704 | 22,992 | 11,676 | 3,792 | 1,612 | 6,012 | 11,712 |
| February | 36,096 | 23,364 | 11,688 | 4,032 | 1,636 | 6,108 | 12,732 |
| March | 35,760 | 23,652 | 11,784 | 4,056 | 1,660 | 6,252 | 12,108 |
| April | 35,856 | 24,252 | 12,192 | 4,008 | 1,656 | 6,396 | 11,604 |
| May | 35,184 | 24,144 | 12,036 | 4,020 | 1,704 | 6,384 | 11,040 |
| June | 35,532 | 24,384 | 12,372 | 3,960 | 1,656 | 6,396 | 11,148 |
| July | 34,992 | 24,096 | 12,180 | 3,876 | 1,692 | 6,348 | 10,896 |
| August | 34,596 | 24,000 | 12,060 | 3,984 | 1,656 | 6,300 | 10,596 |
| September | 35,100 | 23,928 | 11,940 | 4,032 | 1,668 | 6,288 | 11,172 |
| October | 34,560 | 23,784 | 11,748 | 4,044 | 1,716 | 6,276 | 10,776 |
| November | 35,232 | 24,024 | 11,712 | 4,212 | 1,812 | 6,288 | 11,208 |
| December | 35,460 | 23,904 | 11,772 | 4,224 | 1,752 | 6,156 | 11,556 |
| 1954: January | 35,580 | 23,940 | 11,736 | 4,308 | 1,776 | 6,120 | 11,640 |
| February | 36,612 | 24,048 | 11,760 | 4,356 | 1,836 | 6,096 | 12,564 |
| March | 36,060 | 24,132 | 11,868 | 4,296 | 1,872 | 6,096 | 11,928 |
| April | 36,324 | 24,708 | 12,480 | 4,176 | 1,968 | 6,084 | 11,616 |
| May | 37,068 | 25,572 | 13,260 | 4,152 | 2,064 | 6,096 | 11,496 |
| June | 36,936 | 25,464 | 13,224 | 4,116 | 2,040 | 6,084 | 11,472 |
| July | 37,128 | 26,076 | 13,800 | 4,092 | 2,112 | 6,072 | 11,052 |
| August | 37,740 | 26,628 | 14,304 | 4,212 | 2,040 | 6,072 | 11,112 |
| September | 37,884 | 26,808 | 14,568 | 4,164 | 2,016 | 6,060 | 11,076 |
| October | 37,260 | 26,652 | 14,520 | 4,080 | 1,992 | 6,060 | 10,608 |
| November | 38,304 | 27,108 | 14,736 | 4,188 | 2,124 | 6,060 | 11,196 |
| December [3] | 39,144 | 27,504 | 15,144 | 4,176 | 2,112 | 6,072 | 11,640 |

[1] Excludes construction expenditures for crude petroleum and natural-gas drilling, and therefore does not agree with the new construction expenditures included in the gross national product.

[2] Includes public utility, farm, and other private construction not shown separately.

[3] Preliminary.

Sources: Department of Commerce and Department of Labor.

Table D-30.—*New public construction activity, 1929–54*

[Value put in place, millions of dollars]

| Year | Total new public construction [1] | | | | Major types of new public construction | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | All public sources | Federal | | State and local | Highway | Educational | Hospital and institutional | Sewer and water and misc. public service | Conservation and development | Military facilities | All other public |
| | | Direct | Federal aid | | | | | | | | |
| 1929 | 2,456 | 155 | 50 | 2,251 | 1,266 | 359 | 101 | 404 | 115 | 19 | 192 |
| 1930 | 2,858 | 209 | 104 | 2,545 | 1,516 | 304 | 118 | 500 | 137 | 27 | 194 |
| 1931 | 2,659 | 271 | 235 | 2,153 | 1,355 | 285 | 110 | 479 | 156 | 40 | 234 |
| 1932 | 1,862 | 333 | 111 | 1,418 | 958 | 130 | 63 | 291 | 150 | 34 | 216 |
| 1933 | 1,648 | 516 | 284 | 848 | 847 | 52 | 49 | 160 | 339 | 36 | 145 |
| 1934 | 2,211 | 626 | 721 | 864 | 1,000 | 143 | 51 | 223 | 518 | 47 | 219 |
| 1935 | 2,233 | 814 | 567 | 852 | 845 | 153 | 38 | 246 | 700 | 37 | 214 |
| 1936 | 3,516 | 797 | 1,566 | 1,153 | 1,362 | 366 | 74 | 509 | 658 | 29 | 518 |
| 1937 | 3,096 | 776 | 1,117 | 1,203 | 1,228 | 253 | 73 | 445 | 605 | 37 | 437 |
| 1938 | 3,420 | 717 | 1,320 | 1,383 | 1,421 | 311 | 97 | 492 | 551 | 62 | 488 |
| 1939 | 3,809 | 759 | 1,377 | 1,673 | 1,381 | 469 | 127 | 507 | 570 | 125 | 631 |
| 1940 | 3,628 | 1,182 | 946 | 1,500 | 1,302 | 156 | 54 | 469 | 523 | 385 | 734 |
| 1941 | 5,751 | 3,751 | 697 | 1,303 | 1,066 | 158 | 42 | 393 | 500 | 1,620 | 1,972 |
| 1942 | 10,660 | 9,313 | 475 | 872 | 734 | 128 | 35 | 254 | 357 | 5,016 | 4,136 |
| 1943 | 6,322 | 5,609 | 268 | 445 | 446 | 63 | 44 | 156 | 285 | 2,550 | 2,778 |
| 1944 | 3,073 | 2,505 | 126 | 442 | 362 | 41 | 58 | 125 | 163 | 837 | 1,487 |
| 1945 | 2,398 | 1,737 | 99 | 562 | 398 | 59 | 65 | 152 | 130 | 690 | 884 |
| 1946 | 2,362 | 870 | 244 | 1,248 | 895 | 101 | 85 | 223 | 240 | 183 | 560 |
| 1947 | 3,433 | 840 | 409 | 2,184 | 1,451 | 287 | 85 | 515 | 394 | 204 | 497 |
| 1948 | 4,825 | 1,177 | 417 | 3,231 | 1,774 | 618 | 223 | 720 | 629 | 158 | 703 |
| 1949 | 6,405 | 1,488 | 461 | 4,456 | 2,131 | 934 | 477 | 822 | 793 | 137 | 1,111 |
| 1950 | 7,000 | 1,625 | 465 | 4,910 | 2,272 | 1,133 | 496 | 844 | 881 | 177 | 1,197 |
| 1951 | 9,418 | 2,982 | 479 | 5,957 | 2,518 | 1,513 | 528 | 968 | 853 | 887 | 2,131 |
| 1952 | 10,901 | 4,186 | 619 | 6,096 | 2,820 | 1,619 | 473 | 983 | 854 | 1,388 | 2,764 |
| 1953 | 11,379 | 4,153 | 700 | 6,526 | 3,165 | 1,728 | 353 | 1,062 | 830 | 1,307 | 2,934 |
| 1954 [2] | 11,450 | 3,423 | 706 | 7,321 | 3,525 | 2,065 | 350 | 1,175 | 710 | 1,010 | 2,615 |

[1] For ownership, combine "Federal aid" and "State and local" columns to obtain State and local ownership. "Direct" column stands as it is for Federal ownership.

[2] Preliminary.

Sources: Department of Commerce and Department of Labor.

TABLE D-31.—*New nonfarm housing starts, by source of funds and by type of structure, 1929–54* [1]

[Number of units]

| Period | Total nonfarm units | Source of funds | | Type of structure | | | Private units, seasonally adjusted annual rates |
|---|---|---|---|---|---|---|---|
| | | Private | Public | 1-family | 2-family [2] | Multi-family [3] | |
| 1929 [4] | 509,000 | 509,000 | | 316,000 | 51,000 | 142,000 | |
| 1930 | 330,000 | 330,000 | | 227,000 | 29,000 | 74,000 | |
| 1931 | 254,000 | 254,000 | | 187,000 | 22,000 | 45,000 | |
| 1932 | 134,000 | 134,000 | | 118,000 | 7,000 | 9,000 | |
| 1933 | 193,000 | 93,000 | | 76,000 | 5,000 | 12,000 | |
| 1934 | 126,000 | 126,000 | | 109,000 | 5,000 | 12,000 | |
| 1935 | 221,000 | 215,700 | 5,300 | 183,000 | 8,000 | 30,000 | |
| 1936 | 319,000 | 304,200 | 14,800 | 244,000 | 14,000 | 61,000 | |
| 1937 | 336,000 | 332,400 | 3,600 | 267,000 | 16,000 | 53,000 | |
| 1938 | 406,000 | 399,300 | 6,700 | 317,000 | 18,000 | 71,000 | |
| 1939 | 515,000 | 458,400 | 56,600 | 399,000 | 29,000 | 87,000 | |
| 1940 | 602,600 | 529,600 | 73,000 | 485,700 | 37,300 | 79,600 | |
| 1941 | 706,100 | 619,500 | 86,600 | 603,500 | 34,300 | 68,300 | |
| 1942 | 356,000 | 301,200 | 54,800 | 292,800 | 20,100 | 43,100 | |
| 1943 | 191,000 | 183,700 | 7,300 | 143,600 | 17,800 | 29,600 | |
| 1944 | 141,800 | 138,700 | 3,100 | 117,700 | 10,600 | 13,500 | |
| 1945 | 209,300 | 208,100 | 1,200 | 184,500 | 8,800 | 15,900 | |
| 1946 | 670,500 | 662,500 | 8,000 | 590,000 | 24,300 | 56,200 | |
| 1947 | 849,000 | 845,600 | 3,400 | 740,200 | 33,900 | 74,900 | |
| 1948 | 931,600 | 913,500 | 18,100 | 766,600 | 46,900 | 118,100 | |
| 1949 | 1,025,100 | 988,800 | 36,300 | 794,300 | 36,500 | 194,300 | |
| 1950 | 1,396,000 | 1,352,200 | 43,800 | 1,154,100 | 44,800 | 197,100 | |
| 1951 | 1,091,300 | 1,020,100 | 71,200 | 900,100 | 40,400 | 150,800 | |
| 1952 | 1,127,000 | 1,068,500 | 58,500 | 942,500 | 45,900 | 138,600 | |
| 1953 | 1,103,800 | 1,068,300 | 35,500 | 937,800 | 41,500 | 124,500 | |
| 1954 [4] | 1,215,500 | 1,196,100 | 19,400 | ([5]) | ([5]) | ([5]) | |
| 1953: First half | 581,400 | 553,100 | 28,300 | 487,500 | 22,000 | 71,900 | 1,110,000 |
| Second half | 522,400 | 515,200 | 7,200 | 450,300 | 19,500 | 52,600 | 1,034,000 |
| 1954: First half | 569,500 | 558,700 | 10,800 | 496,800 | 16,300 | 56,400 | 1,116,000 |
| Second half [4] | 646,000 | 637,400 | 8,600 | ([5]) | ([5]) | ([5]) | 1,290,000 |
| 1953: January | 72,100 | 68,200 | 3,900 | 59,600 | 3,100 | 9,400 | 1,106,000 |
| February | 79,200 | 73,800 | 5,400 | 65,100 | 3,400 | 10,700 | 1,150,000 |
| March | 105,800 | 96,100 | 9,700 | 84,500 | 3,900 | 17,200 | 1,165,000 |
| April | 111,400 | 107,400 | 4,000 | 94,400 | 4,300 | 12,700 | 1,111,000 |
| May | 108,300 | 105,600 | 2,700 | 93,600 | 4,000 | 10,700 | 1,065,000 |
| June | 104,600 | 102,000 | 2,600 | 90,000 | 3,400 | 11,200 | 1,064,000 |
| July | 96,700 | 96,400 | 300 | 84,400 | 3,900 | 8,400 | 1,015,000 |
| August | 93,200 | 92,200 | 1,000 | 81,500 | 3,200 | 8,500 | 988,000 |
| September | 95,100 | 92,100 | 3,000 | 81,000 | 3,200 | 10,900 | 1,014,000 |
| October | 90,100 | 90,100 | ([6]) | 79,300 | 3,500 | 7,300 | 1,050,000 |
| November | 81,500 | 79,900 | 1,600 | 70,300 | 2,800 | 8,400 | 1,077,000 |
| December | 65,800 | 64,500 | 1,300 | 53,800 | 2,900 | 9,100 | 1,060,000 |
| 1954: January | 66,400 | 65,100 | 1,300 | 53,100 | 2,200 | 11,100 | 1,056,000 |
| February | 75,200 | 73,900 | 1,300 | 64,700 | 2,300 | 8,200 | 1,152,000 |
| March | 95,200 | 93,200 | 2,000 | 83,200 | 2,800 | 9,200 | 1,132,000 |
| April | 107,700 | 106,500 | 1,200 | 96,100 | 3,100 | 8,500 | 1,102,000 |
| May | 108,500 | 107,400 | 1,100 | 97,700 | 3,000 | 7,800 | 1,083,000 |
| June | 116,500 | 112,600 | 3,900 | 102,000 | 2,900 | 11,600 | 1,175,000 |
| July | 116,000 | 112,900 | 3,100 | 101,600 | 3,100 | 11,300 | 1,188,000 |
| August | 114,300 | 113,000 | 1,300 | 103,000 | 3,100 | 8,200 | 1,211,000 |
| September | 115,700 | 113,400 | 2,300 | 103,900 | 3,100 | 8,700 | 1,248,000 |
| October [4] | 106,000 | 105,800 | 200 | ([5]) | ([5]) | ([5]) | 1,233,000 |
| November [4] | 103,000 | 102,700 | 300 | ([5]) | ([5]) | ([5]) | 1,383,000 |
| December [4] | 91,000 | 89,600 | 1,400 | ([5]) | ([5]) | ([5]) | 1,473,000 |

[1] These estimates are based on building permit records which have been adjusted for lapsed permits and for lags between permit issuance and start of construction. They are based also on reports of Federal construction contract awards and on field surveys in non-permit-issuing places. All temporary units are ex[illegible]

[illegible]

[4] Preliminary.

[5] Not available.

[6] Less than 50 units.

Source: Department of Labor.

TABLE D-32.—*Private nonfarm housing starts and proposed home construction: Government underwritten, 1935–54*

[Number of units]

| Period | Private nonfarm housing starts | | | | Proposed home construction | |
|---|---|---|---|---|---|---|
| | Total | Government underwritten | | | Units in FHA applications [3] | VA appraisal requests |
| | | Total | FHA | VA [1] | | |
| 1935 | 215,700 | 13,964 | 13,964 | ---------- | [2] 20,605 | ---------- |
| 1936 | 304,200 | 49,376 | 49,376 | ---------- | 47,532 | ---------- |
| 1937 | 332,400 | 60,003 | 60,003 | ---------- | 49,785 | ---------- |
| 1938 | [illegible] | 118,741 | 118,741 | ---------- | 125,090 | ---------- |
| 1939 | 458,400 | 158,119 | 158,119 | ---------- | 167,824 | ---------- |
| 1940 | 529,600 | 180,091 | 180,091 | ---------- | 217,939 | ---------- |
| 1941 | 619,500 | 220,357 | 220,387 | ---------- | 277,730 | ---------- |
| 1942 | 301,200 | 165,662 | 165,662 | ---------- | 234,758 | ---------- |
| 1943 | 183,700 | 146,154 | 146,154 | ---------- | 144,356 | ---------- |
| 1944 | 138,700 | 93,259 | 93,259 | ---------- | 62,872 | ---------- |
| 1945 | 208,100 | 47,159 | 41,159 | 6,000 | 66,572 | ---------- |
| 1946 | 662,500 | 152,033 | 69,033 | 83,000 | 121,701 | ---------- |
| 1947 | 845,600 | 440,035 | 229,035 | 211,000 | 286,359 | ---------- |
| 1948 | 913,500 | 396,059 | 294,059 | 102,000 | 293,170 | ---------- |
| 1949 | 988,800 | 468,802 | 363,802 | 105,000 | 327,008 | ---------- |
| [illegible] | [illegible] | 686,681 | 486,681 | 200,000 | 337,696 | ---------- |
| [illegible] | [illegible] | 412,157 | 263,523 | 148,634 | 192,759 | 164,365 |
| [illegible] | [illegible] | 421,175 | 279,901 | 141,274 | 267,915 | 226,299 |
| [illegible] | [illegible] | 408,583 | 251,969 | 156,616 | 253,726 | 251,437 |
| [illegible] | [illegible] | 582,337 | 276,307 | 306,030 | 338,681 | 635,412 |
| 1953: First half | 553,100 | 195,846 | 126,378 | 69,468 | 162,482 | 129,961 |
| Second half | 615,200 | 212,739 | 125,591 | 87,148 | 91,244 | 121,476 |
| 1954: First half | 658,700 | 238,810 | 125,444 | 113,366 | 160,937 | 238,954 |
| Second half | [4] 637,400 | 343,527 | 150,663 | 192,664 | 177,644 | 296,458 |
| 1953: January | 68,200 | 26,872 | 17,557 | 9,315 | 19,934 | 13,806 |
| February | 73,800 | 27,715 | 17,258 | 10,457 | 22,472 | 20,808 |
| March | 96,100 | 32,537 | 22,407 | 10,130 | 31,390 | 20,717 |
| April | 107,400 | 36,329 | 23,319 | 13,010 | 30,252 | 22,037 |
| May | 105,600 | 33,855 | 21,676 | 12,179 | 33,204 | 21,318 |
| June | 102,000 | 38,538 | 24,161 | 14,377 | 25,221 | 27,185 |
| July | 96,400 | 38,494 | 23,643 | 14,849 | 16,763 | 20,762 |
| August | 92,200 | 41,110 | 23,469 | 17,641 | 13,999 | 22,118 |
| September | 92,100 | 36,160 | 21,838 | 14,322 | 16,069 | 17,768 |
| October | 90,100 | 36,350 | 21,676 | 14,674 | 17,621 | 19,270 |
| November | 79,900 | 33,151 | 19,653 | 13,498 | 13,406 | 22,652 |
| December | 64,500 | 27,474 | 15,310 | 12,164 | 13,886 | 19,016 |
| 1954: January | 65,100 | 24,715 | 13,154 | 11,561 | 15,007 | 20,124 |
| February | 73,900 | 30,478 | 16,285 | 14,193 | 20,008 | 34,407 |
| March | 93,200 | 36,437 | 20,528 | 15,909 | 28,055 | 36,501 |
| April | 106,500 | 43,628 | 23,807 | 19,821 | 32,343 | 42,923 |
| May | 107,400 | 48,995 | 24,004 | 24,991 | 30,327 | 52,246 |
| June | 112,600 | 54,557 | 27,666 | 26,891 | 35,207 | 52,749 |
| July | 112,900 | 52,240 | 25,430 | 26,810 | 30,143 | 52,291 |
| August | 113,000 | 60,250 | 26,999 | 33,251 | 32,168 | 55,850 |
| September | 113,400 | 59,820 | 25,882 | 33,938 | 34,831 | 51,265 |
| October | [4] 105,800 | 58,166 | 24,665 | 33,501 | 29,325 | 45,572 |
| November | [4] 102,700 | 62,361 | 26,344 | 36,017 | 26,851 | 47,729 |
| December | [4] 89,600 | 50,690 | 21,543 | 29,147 | 24,328 | 44,251 |

[1] Data since June 1950 are based on VA first compliance inspection; prior data are estimates of units started which resulted in VA-guaranteed first mortgage loans.
[2] Units in mortgage applications for new home construction.
[3] FHA program approved in June 1934, all 1934 activity included in 1935.
[4] Preliminary.

Sources: Department of Labor, Federal Housing [Administration (FHA), and Veterans Administration (VA).

TABLE D-33.—*Sales and inventories in manufacturing and trade, 1939–54*

| Period | Total manufacturing and trade | | | Manufacturing | | | Wholesale trade | | | Retail trade [1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| | *Old series* | | | | | | | | | | | |
| 1939 | 10,802 | 20,051 | 1.77 | 5,112 | 11,465 | 2.11 | 2,187 | 3,052 | 1.34 | 3,503 | 5,534 | 1.63 |
| 1940 | 12,134 | 22,176 | 1.72 | 5,859 | 12,819 | 2.06 | 2,410 | 3,238 | 1.30 | 3,865 | 6,119 | 1.49 |
| 1941 | 15,811 | 28,780 | 1.58 | 8,172 | 16,960 | 1.78 | 3,033 | 4,044 | 1.20 | 4,606 | 7,776 | 1.48 |
| 1942 | 18,623 | 31,091 | 1.66 | 10,430 | 19,287 | 1.77 | 3,426 | 3,781 | 1.19 | 4,768 | 8,023 | 1.76 |
| 1943 | 21,920 | 31,343 | 1.40 | 12,820 | 20,098 | 1.51 | 3,830 | 3,684 | .97 | 5,270 | 7,561 | 1.43 |
| 1944 | 23,785 | 31,059 | 1.33 | 13,782 | 19,507 | 1.45 | 4,152 | 3,912 | .94 | 5,851 | 7,640 | 1.31 |
| 1945 | 23,852 | 30,893 | 1.30 | 12,873 | 18,390 | 1.48 | 4,476 | 4,555 | .91 | 6,503 | 7,948 | 1.21 |
| 1946 | 27,150 | 42,892 | 1.33 | 12,617 | 24,457 | 1.66 | 5,993 | 6,583 | .90 | 8,541 | 11,852 | 1.13 |
| 1947 | 33,156 | 50,484 | 1.43 | 15,917 | 28,874 | 1.71 | 7,272 | 7,550 | 1.01 | 9,967 | 14,060 | 1.27 |
| 1948 | 36,438 | 55,612 | 1.47 | 17,630 | 31,693 | 1.72 | 7,931 | 8,091 | .99 | 10,877 | 15,828 | 1.46 |
| 1949 | 34,664 | 52,111 | 1.56 | 16,416 | 28,860 | 1.86 | 7,354 | 7,940 | 1.08 | 10,893 | 16,311 | 1.43 |
| 1950 | 39,917 | 64,092 | 1.40 | 19,285 | 34,314 | 1.57 | 8,658 | 10,462 | 1.03 | 11,974 | 19,316 | 1.40 |
| | *New series* [1] | | | | | | | | | | | |
| 1951 | 44,821 | 75,268 | 1.61 | 22,205 | 42,904 | 1.78 | 9,431 | 11,125 | 1.20 | 13,185 | 21,233 | 1.63 |
| 1952 | 46,080 | 77,109 | 1.64 | 23,046 | 44,190 | 1.89 | 9,360 | 11,327 | 1.18 | 13,674 | 21,892 | 1.53 |
| 1953 | 48,836 | 81,072 | 1.64 | 25,280 | 46,722 | 1.81 | 9,328 | 11,689 | 1.25 | 14,228 | 22,661 | 1.57 |
| 1954 [6] | 47,285 | 77,645 | 1.67 | 23,970 | 43,811 | 1.87 | 9,082 | 11,718 | 1.29 | 14,233 | 22,116 | 1.55 |
| | Seasonally adjusted | | | | | | | | | | | |
| 1953: First half | 49,208 | 80,167 | 1.59 | 25,508 | 46,160 | 1.76 | 9,392 | 11,713 | 1.22 | 14,308 | 22,294 | 1.53 |
| Second half | 48,366 | 81,072 | 1.68 | 25,034 | 46,722 | 1.87 | 9,232 | 11,689 | 1.29 | 14,100 | 22,661 | 1.61 |
| 1954: First half | 47,098 | 79,000 | 1.70 | 24,040 | 44,535 | 1.90 | 9,021 | 11,865 | 1.30 | 14,036 | 22,600 | 1.61 |
| Second half [6] | 47,474 | 77,645 | 1.64 | 23,946 | 43,811 | 1.83 | 9,150 | 11,718 | 1.28 | 14,378 | 22,116 | 1.55 |
| 1953: January | 47,839 | 77,130 | 1.61 | 24,507 | 44,330 | 1.81 | 9,172 | 11,232 | 1.23 | 14,148 | 21,518 | 1.52 |
| February | 48,533 | 77,693 | 1.60 | 24,724 | 44,581 | 1.80 | 9,295 | 11,405 | 1.22 | 14,514 | 21,707 | 1.49 |
| March | 49,671 | 78,266 | 1.57 | 25,763 | 44,797 | 1.73 | 9,471 | 11,488 | 1.21 | 14,437 | 21,981 | 1.51 |
| April | 50,186 | 78,996 | 1.57 | 26,358 | 45,164 | 1.71 | 9,548 | 11,445 | 1.20 | 14,280 | 22,387 | 1.55 |
| May | 49,395 | 79,678 | 1.61 | 25,816 | 45,673 | 1.76 | 9,155 | 11,550 | 1.26 | 14,424 | 22,455 | 1.55 |
| June | 50,003 | 80,167 | 1.60 | 25,882 | 46,160 | 1.77 | 9,709 | 11,713 | 1.20 | 14,412 | 22,294 | 1.55 |
| July | 50,398 | 81,116 | 1.60 | 26,366 | 46,485 | 1.76 | 9,563 | 11,888 | 1.23 | 14,469 | 22,743 | 1.56 |
| August | 48,138 | 81,586 | 1.69 | 25,067 | 46,888 | 1.86 | 8,998 | 11,923 | 1.32 | 14,073 | 22,775 | 1.62 |
| September | 48,652 | 82,000 | 1.68 | 25,379 | 47,087 | 1.85 | 9,291 | 11,989 | 1.29 | 13,982 | 22,924 | 1.63 |
| October | 48,284 | 81,805 | 1.70 | 25,010 | 47,044 | 1.88 | 9,234 | 12,041 | 1.30 | 14,040 | 22,720 | 1.63 |
| November | 47,518 | 81,270 | 1.72 | 24,256 | 46,909 | 1.94 | 9,158 | 11,930 | 1.31 | 14,104 | 22,437 | 1.60 |
| December | 47,209 | 81,072 | 1.72 | 24,126 | 46,722 | 1.94 | 9,151 | 11,689 | 1.29 | 13,932 | 22,661 | 1.62 |
| 1954: January | 46,450 | 80,668 | 1.74 | 23,902 | 46,352 | 1.95 | 8,926 | 11,785 | 1.31 | 13,622 | 22,521 | 1.66 |
| February | 46,714 | 80,390 | 1.72 | 23,620 | 46,115 | 1.96 | 9,122 | 11,854 | 1.30 | 13,972 | 22,421 | 1.61 |
| March | 47,094 | 80,093 | 1.70 | 24,064 | 45,774 | 1.91 | 9,130 | 11,756 | 1.29 | 13,900 | 22,563 | 1.62 |
| April | 47,636 | 79,516 | 1.68 | 24,418 | 45,183 | 1.86 | 8,976 | 11,643 | 1.30 | 14,242 | 22,690 | 1.59 |
| May | 46,914 | 79,372 | 1.69 | 23,978 | 44,798 | 1.88 | 8,692 | 11,770 | 1.32 | 14,044 | 22,804 | 1.62 |
| June | 47,779 | 79,000 | 1.66 | 24,260 | 44,535 | 1.84 | 9,080 | 11,865 | 1.30 | 14,439 | 22,600 | 1.57 |
| July | | | | | | | | | | | | |
| August | | | | | | | | | | | | |
| September | | | | | | | | | | | | |
| October | | | | | | | | | | | | |
| November [6] | | | | | | | | | | | | |
| December [6] | | | | | | | | | | | | |

[4] For annual and semiannual periods weighted average inventories to average monthly sales; for monthly data, ratio of average end of current and previous month's inventories to sales for month.

[5] Where December data not available, data for year and half-year calculated on basis of no change from November.

[6] Preliminary.

NOTE.—The inventory figures in this table do not agree with the estimates of "change in business inventories" included in the gross national product since these figures cover only manufacturing and trade rather than all business, and show inventories in terms of current book value without adjustment for revaluation.

Source: Department of Commerce.

TABLE D-34.—*Manufacturers' new orders, sales, and inventories, 1939–54*

[Millions of dollars, not seasonally adjusted]

| Period | New orders [1]: Durable-goods industries | New orders [1]: Nondurable-goods industries | Sales [1]: Durable-goods industries | Sales [1]: Nondurable-goods industries | Inventories [2]: Durable-goods industries: Purchased materials | Inventories [2]: Durable-goods industries: Goods-in-process | Inventories [2]: Durable-goods industries: Finished goods | Inventories [2]: Nondurable-goods industries: Purchased materials | Inventories [2]: Nondurable-goods industries: Goods-in-process | Inventories [2]: Nondurable-goods industries: Finished goods |
|---|---|---|---|---|---|---|---|---|---|---|
| 1939 | 2,159 | 2,186 | 1,950 | 2,162 | 1,802 | 1,482 | 2,048 | 2,520 | 786 | 2,578 |
| 1940 | 3,374 | 3,431 | 2,473 | 3,396 | 2,106 | 1,983 | 2,214 | 2,735 | 852 | 2,963 |
| 1941 | 5,321 | 4,482 | 3,802 | 4,371 | 3,100 | 3,132 | 2,286 | 4,110 | 1,114 | 3,202 |
| 1942 | 8,048 | 5,297 | 5,164 | 5,206 | 3,733 | 4,561 | 2,142 | 4,420 | 1,224 | 3,267 |
| 1943 | 8,770 | 5,934 | 6,863 | 5,958 | 3,919 | 5,210 | 2,042 | 4,654 | 1,259 | 3,057 |
| 1944 | 8,472 | 6,434 | 7,337 | 6,446 | 3,393 | 5,014 | 2,024 | 4,760 | 1,334 | 3,034 |
| 1945 | 5,944 | 6,588 | 6,268 | 6,605 | 3,208 | 3,497 | 2,059 | 5,040 | 1,440 | 3,213 |
| 1946 | 5,942 | 7,731 | 4,986 | 7,631 | 4,801 | 4,358 | 2,791 | 6,657 | 1,739 | 4,274 |
| 1947 | 6,365 | 9,256 | 6,695 | 9,222 | 5,254 | 4,120 | 3,693 | 7,353 | 2,172 | 5,290 |
| 1948 | 7,462 | 9,870 | 7,594 | 10,036 | 5,757 | 4,319 | 4,650 | 7,400 | 2,137 | 6,499 |
| 1949 | 6,592 | 9,311 | 7,070 | 9,347 | 4,721 | 4,650 | 4,383 | 6,700 | 2,031 | 6,231 |
| 1950 | 10,314 | 10,665 | 8,604 | 10,450 | 6,256 | 5,922 | 4,890 | 8,672 | 2,422 | 6,642 |
| 1951 | 12,718 | 11,672 | 10,413 | 11,772 | 7,898 | 6,350 | 6,711 | 9,418 | 2,840 | 8,376 |
| 1952 | 11,688 | 11,822 | 11,206 | 11,840 | 7,643 | 9,954 | 6,870 | 9,006 | 2,679 | 8,390 |
| 1953 | 11,374 | 12,486 | 12,725 | 12,653 | 7,746 | 10,554 | 8,397 | 8,673 | 2,750 | 8,827 |
| 1954 [3] | 10,265 | 12,697 | 11,233 | 12,678 | 6,601 | 9,711 | 7,701 | 8,188 | 2,789 | 8,518 |
| 1953: First half | 12,763 | 12,338 | 13,107 | 12,238 | 7,697 | 10,719 | 7,923 | 8,399 | 3,043 | 8,653 |
| Second half | 9,986 | 12,584 | 12,342 | 12,775 | 7,746 | 10,554 | 8,397 | 8,673 | 2,750 | 8,827 |
| 1954: First half | 9,837 | 12,499 | 11,472 | 12,440 | 6,737 | 9,903 | 8,337 | 8,045 | 2,769 | 8,893 |
| Second half [3] | 10,778 | 12,935 | 10,991 | 12,963 | 6,601 | 9,711 | 7,701 | 8,188 | 2,789 | 8,518 |
| 1953: January | 12,786 | 12,065 | 12,020 | 11,986 | 7,335 | 10,116 | 7,149 | 8,871 | 2,845 | 8,375 |
| February | 12,266 | 11,743 | 12,344 | 11,721 | 7,263 | 10,324 | 7,260 | 8,824 | 2,934 | 8,253 |
| March | 13,404 | 12,945 | 13,812 | 12,946 | 7,232 | 10,654 | 7,412 | 8,817 | 2,891 | 8,152 |
| April | 12,958 | 12,620 | 13,703 | 12,693 | 7,202 | 10,756 | 7,650 | 8,536 | 2,956 | 8,162 |
| May | 12,176 | 12,388 | 13,178 | 12,290 | 7,606 | 10,730 | 7,857 | 8,451 | 2,962 | 8,378 |
| June | 12,985 | 12,669 | 13,686 | 12,472 | 7,697 | 10,719 | 7,923 | 8,399 | 3,043 | 8,653 |
| July | 11,688 | 12,344 | 12,317 | 12,383 | 7,895 | 10,713 | 7,855 | 8,346 | 2,985 | 8,642 |
| August | 10,133 | 12,639 | 12,484 | 12,792 | 8,029 | 10,738 | 7,798 | 8,216 | 2,907 | 8,802 |
| September | 10,090 | 13,145 | 12,917 | 13,246 | 7,996 | 10,723 | 7,893 | 8,429 | 2,828 | 8,777 |
| October | 9,830 | 13,452 | 13,223 | 13,622 | 7,976 | 10,503 | 8,057 | 8,426 | 2,786 | 8,719 |
| November | 9,930 | 12,025 | 11,499 | 12,293 | 7,895 | 10,473 | 8,181 | 8,482 | 2,676 | 8,825 |
| December | 9,347 | 12,101 | 11,615 | 12,314 | 7,746 | 10,554 | 8,397 | 8,673 | 2,750 | 8,827 |
| 1954: January | 8,687 | 12,195 | 10,870 | 12,192 | 7,478 | 10,678 | 8,448 | 8,647 | 2,836 | 8,791 |
| February | 9,495 | 12,031 | 10,968 | 12,002 | 7,247 | 10,436 | 8,552 | 8,536 | 2,849 | 8,735 |
| March | 10,779 | 13,078 | 12,208 | 13,092 | 6,943 | 10,473 | 8,626 | 8,428 | 2,838 | 8,651 |
| April | 10,290 | 12,654 | 11,614 | 12,676 | 6,713 | 10,348 | 8,568 | 8,217 | 2,864 | 8,641 |
| May | 9,472 | 12,236 | 11,165 | 12,098 | 6,731 | 10,109 | 8,496 | 8,095 | 2,780 | 8,763 |
| June | 10,297 | 12,802 | 11,804 | 12,580 | 6,737 | 9,903 | 8,337 | 8,045 | 2,769 | 8,893 |
| July | 9,712 | 12,813 | 10,252 | 12,614 | 6,802 | 9,656 | 8,000 | 8,120 | 2,749 | 8,828 |
| August | 9,918 | 12,986 | 10,855 | 13,088 | 6,703 | 9,497 | 7,838 | 8,078 | 2,717 | 8,717 |
| September | 11,696 | 13,436 | 11,109 | 13,297 | 6,561 | 9,572 | 7,653 | 8,123 | 2,691 | 8,636 |
| October | 11,464 | 13,317 | 11,153 | 13,384 | 6,612 | 9,762 | 7,670 | 8,068 | 2,739 | 8,565 |
| November | 11,102 | 12,921 | 11,586 | 13,034 | 6,601 | 9,711 | 7,701 | 8,168 | 2,789 | 8,518 |

[1] Monthly average shown for year and half year and total for month.
[2] Book value, end of period.
[3] Based on data through November.

Source: Department of Commerce.

TABLE D-35.—*Wholesale price indexes, 1929–54*

[1947-49=100] [1]

| Period | All commodities | Farm products | Processed foods | All commodities other than farm products and foods: Total | Textile products and apparel | Chemicals and allied products | Rubber and products | Lumber and wood products |
|---|---|---|---|---|---|---|---|---|
| Monthly average: | | | | | | | | |
| 1929 | 61.9 | 58.6 | 58.5 | 65.5 | (2) | (3) | 53.5 | 31.9 |
| 1930 | 56.1 | 49.3 | 53.3 | 60.9 | (2) | (3) | 73.0 | 29.4 |
| 1931 | 47.4 | 36.2 | 44.8 | 53.6 | (2) | (3) | 62.0 | 23.8 |
| 1932 | 42.1 | 26.9 | 36.5 | 50.2 | (2) | (3) | 53.8 | 20.3 |
| 1933 | 42.8 | 28.7 | 36.3 | 50.9 | (2) | 51.2 | 56.8 | 24.2 |
| 1934 | 48.7 | 36.5 | 42.6 | 56.0 | (2) | 53.7 | 65.8 | 28.5 |
| 1935 | 52.0 | 44.0 | 52.1 | 55.7 | (2) | 56.0 | 66.4 | 27.4 |
| 1936 | 52.5 | 45.2 | 50.1 | 56.9 | (2) | 56.4 | 71.7 | 28.7 |
| 1937 | 56.1 | 48.3 | 52.4 | 61.0 | (2) | 59.0 | 84.4 | 33.7 |
| 1938 | 51.1 | 38.3 | 45.6 | 58.4 | (2) | 55.9 | 82.7 | 30.8 |
| 1939 | 50.1 | 36.5 | 43.3 | 58.1 | (2) | 55.8 | 66.3 | 31.6 |
| 1940 | 51.1 | 37.8 | 43.6 | 59.4 | (2) | 56.6 | 80.2 | 35.2 |
| 1941 | 56.8 | 46.0 | 50.5 | 63.7 | (2) | 61.6 | 86.5 | 41.8 |
| 1942 | 64.2 | 59.2 | 59.1 | 68.3 | (2) | 69.3 | 100.6 | 45.4 |
| 1943 | 67.0 | 68.5 | 61.6 | 69.3 | (2) | 69.5 | 103.3 | 48.0 |
| 1944 | 67.6 | 68.9 | 60.4 | 70.4 | (2) | 70.2 | 102.0 | 51.9 |
| 1945 | 68.8 | 71.6 | 60.8 | 71.3 | (2) | 70.6 | 98.9 | 52.6 |
| 1946 | 78.7 | 83.2 | 77.6 | 78.3 | (2) | 76.3 | 99.4 | 60.3 |
| 1947 | 96.4 | 100.0 | 98.2 | 95.3 | 100.1 | 101.4 | 99.0 | 93.7 |
| 1948 | 104.4 | 107.3 | 106.1 | 103.4 | 104.4 | 103.8 | 102.1 | 107.2 |
| 1949 | 99.2 | 92.8 | 95.7 | 101.3 | 95.5 | 94.8 | 98.9 | 99.2 |
| 1950 | 103.1 | 97.5 | 99.8 | 105.0 | 99.2 | 96.3 | 120.5 | 113.9 |
| 1951 | 114.8 | 113.4 | 111.4 | 115.9 | 110.6 | 110.0 | 148.0 | 123.9 |
| 1952 | 111.6 | 107.0 | 108.8 | 113.2 | 99.8 | 104.5 | 134.0 | 120.3 |
| 1953 | 110.1 | 97.0 | 104.6 | 114.0 | 97.3 | 105.7 | 125.0 | 120.2 |
| 1954 [4] | 110.3 | 95.7 | 105.3 | 114.5 | 95.2 | 107.0 | 126.9 | 118.0 |
| 1953: First half | 109.7 | 98.0 | 104.3 | 113.4 | 97.9 | 104.7 | 125.7 | 121.5 |
| Second half | 110.4 | 96.0 | 105.0 | 114.7 | 96.7 | 106.7 | 124.2 | 118.9 |
| 1954: First half | 110.6 | 97.7 | 105.7 | 114.4 | 95.1 | 107.2 | 125.1 | 116.5 |
| Second half [4] | 110.0 | 93.7 | 104.9 | 114.6 | 95.3 | 106.9 | 128.7 | 119.5 |
| 1953: January | 109.9 | 99.6 | 105.5 | 113.1 | 98.8 | 103.6 | 127.3 | 120.5 |
| February | 109.6 | 97.9 | 105.2 | 113.1 | 98.5 | 103.6 | 126.2 | 121.1 |
| March | 110.0 | 99.8 | 104.1 | 113.4 | 97.5 | 104.2 | 125.7 | 121.7 |
| April | 109.4 | 97.3 | 103.2 | 113.2 | 97.4 | 105.5 | 124.8 | 122.2 |
| May | 109.8 | 97.8 | 104.3 | 113.6 | 97.6 | 105.5 | 125.4 | 121.8 |
| June | 109.5 | 95.4 | 103.3 | 113.9 | 97.4 | 105.6 | 125.0 | 121.5 |
| July | 110.9 | 97.9 | 105.5 | 114.8 | 97.5 | 106.2 | 124.6 | 121.1 |
| August | 110.6 | 96.4 | 104.8 | 114.9 | 97.5 | 106.3 | 123.5 | 120.4 |
| September | 111.0 | 98.1 | 106.6 | 114.7 | 96.9 | 106.7 | 124.0 | 119.2 |
| October | 110.2 | 95.3 | 104.7 | 114.6 | 96.5 | 106.7 | 124.2 | 118.1 |
| November | 109.8 | 93.7 | 103.8 | 114.5 | 96.2 | 107.2 | 124.3 | 117.8 |
| December | 110.1 | 94.4 | 104.3 | 114.6 | 95.8 | 107.1 | 124.8 | 117.4 |
| 1954: January | 110.9 | 97.8 | 106.2 | 114.6 | 96.1 | 107.2 | 124.8 | 117.0 |
| February | 110.5 | 97.7 | 104.8 | 114.4 | 95.3 | 107.5 | 124.6 | 116.8 |
| March | 110.5 | 98.4 | 105.3 | 114.2 | 95.0 | 107.4 | 124.9 | 116.7 |
| April | 111.0 | 99.4 | 105.9 | 114.5 | 94.7 | 107.2 | 125.0 | 116.3 |
| May | 110.9 | 97.9 | 106.8 | 114.5 | 94.8 | 107.1 | 125.1 | 116.1 |
| June | 110.0 | 94.8 | 105.0 | 114.2 | 94.9 | 106.8 | 126.1 | 116.3 |
| July | 110.4 | 96.2 | 106.5 | 114.3 | 95.1 | 106.7 | 128.8 | 119.1 |
| August | 110.5 | 95.8 | 106.4 | 114.4 | 95.3 | 106.8 | 128.4 | 119.1 |
| September | 110.0 | 93.6 | 105.5 | 114.4 | 95.3 | 106.8 | 126.9 | 119.3 |
| October | 109.7 | 93.1 | 103.7 | 114.5 | 95.4 | 106.9 | 128.5 | 119.8 |
| November | 110.0 | 93.2 | 103.8 | 114.8 | 95.2 | 107.0 | 131.4 | 119.9 |
| December [4] | 109.5 | 90.0 | 103.4 | 114.9 | 95.2 | 107.0 | 132.0 | 120.0 |

See footnotes at end of table.

TABLE D-35.—*Wholesale price indexes, 1929–54*—Continued

[1947-49=100][1]

| Period | Hides, skins, and leather products | Fuel, power, and lighting materials | Pulp, paper, and allied products | Metals and metal products | Machinery and motive products | Furniture and other household durables | Nonmetallic minerals (structural) | Tobacco manufactures and bottled beverages [2] | Miscellaneous |
|---|---|---|---|---|---|---|---|---|---|
| | All commodities other than farm products and foods (continued) | | | | | | | | |
| Monthly average: | | | | | | | | | |
| 1929 | 59.3 | 70.2 | (³) | 67.0 | (³) | 69.3 | 72.6 | 86.6 | (³) |
| 1930 | 54.4 | 66.5 | (³) | 60.3 | (³) | 68.2 | 72.4 | 87.1 | (³) |
| 1931 | 46.8 | 57.2 | (³) | 54.1 | (³) | 62.8 | 67.6 | 84.6 | (³) |
| 1932 | 39.7 | 59.5 | (³) | 49.9 | (³) | 55.4 | 63.4 | 81.4 | (³) |
| 1933 | 44.0 | 56.1 | (³) | 50.9 | (³) | 55.5 | 66.9 | 72.9 | (³) |
| 1934 | 47.1 | 62.0 | (³) | 56.2 | (³) | 60.2 | 71.6 | 76.0 | (³) |
| 1935 | 48.7 | 62.2 | (³) | 56.2 | (³) | 59.8 | 71.6 | 75.9 | (³) |
| 1936 | 51.9 | 64.5 | (³) | 57.3 | (³) | 60.6 | 71.7 | 75.8 | (³) |
| 1937 | 56.9 | 65.7 | (³) | 65.6 | (³) | 67.2 | 73.4 | 76.5 | (³) |
| 1938 | 50.5 | 64.7 | (³) | 63.1 | (³) | 65.6 | 71.1 | 76.4 | (³) |
| 1939 | 52.0 | 61.8 | (³) | 62.6 | 65.3 | 65.4 | 69.5 | 76.4 | (³) |
| 1940 | 54.8 | 60.7 | (³) | 62.8 | 66.2 | 66.8 | 69.7 | 77.3 | (³) |
| 1941 | 58.9 | 64.5 | (³) | 64.0 | 68.6 | 71.2 | 71.3 | 78.1 | (³) |
| 1942 | 64.0 | 66.4 | (³) | 64.9 | 71.2 | 76.8 | 74.1 | 79.1 | (³) |
| 1943 | 63.9 | 68.4 | (³) | 64.8 | 71.0 | 76.4 | 74.5 | 83.0 | (³) |
| 1944 | 63.4 | 70.3 | (³) | 64.8 | 71.0 | 78.4 | 75.9 | 83.4 | (³) |
| 1945 | 64.2 | 71.1 | (³) | 65.9 | 71.6 | 78.6 | 79.1 | 85.8 | (³) |
| 1946 | 74.6 | 76.2 | (³) | 73.9 | 80.3 | 83.0 | 84.2 | 89.7 | (³) |
| 1947 | 101.0 | 90.9 | 99.5 | 91.3 | 92.5 | 95.6 | 93.9 | 97.2 | 100.8 |
| 1948 | 102.1 | 107.1 | 102.9 | 103.9 | 100.9 | 101.4 | 101.7 | 100.5 | 103.1 |
| 1949 | 96.9 | 101.9 | 98.5 | 104.8 | 106.6 | 103.1 | 104.4 | 102.3 | 96.1 |
| 1950 | 104.6 | 103.0 | 100.9 | 110.3 | 108.6 | 105.3 | 106.9 | 103.5 | 96.6 |
| 1951 | 120.3 | 106.7 | 119.6 | 122.8 | 119.0 | 114.1 | 113.6 | 109.4 | 104.9 |
| 1952 | 97.2 | 106.6 | 116.5 | 123.0 | 121.5 | 112.0 | 113.6 | 111.8 | 108.3 |
| 1953 | 98.5 | 109.5 | 116.1 | 126.9 | 123.0 | 114.2 | 118.2 | 115.7 | 97.8 |
| 1954 [4] | 94.2 | 108.1 | 116.3 | 128.0 | 124.6 | 115.4 | 120.9 | 120.6 | 102.5 |
| 1953: First half | 98.8 | 107.8 | 115.4 | 125.3 | 122.0 | 113.5 | 116.1 | 113.8 | 100.0 |
| Second half | 98.2 | 111.1 | 116.8 | 128.4 | 124.0 | 114.8 | 120.3 | 117.0 | 95.7 |
| 1954: First half | 95.2 | 109.2 | 116.4 | 126.8 | 124.4 | 115.3 | 120.4 | 119.7 | 105.6 |
| Second half [4] | 93.2 | 107.0 | 116.2 | 129.2 | 124.7 | 115.5 | 121.4 | 121.5 | 99.5 |
| 1953: January | 97.3 | 107.8 | 115.8 | 124.0 | 121.5 | 112.7 | 114.6 | 111.9 | 103.0 |
| February | 98.0 | 108.1 | 115.3 | 124.6 | 121.6 | 112.9 | 114.6 | 111.9 | 101.2 |
| March | 98.1 | 108.4 | 115.1 | 125.5 | 121.8 | 113.1 | 115.1 | 114.8 | 101.7 |
| April | 97.9 | 107.4 | 115.3 | 125.0 | 122.0 | 113.9 | 116.9 | 114.8 | 98.5 |
| May | 100.4 | 107.1 | 115.4 | 125.7 | 122.4 | 114.1 | 117.2 | 114.8 | 99.7 |
| June | 101.0 | 108.3 | 115.8 | 126.9 | 122.9 | 114.3 | 118.1 | 114.9 | 95.8 |
| July | 100.0 | 111.1 | 115.8 | 129.3 | 123.4 | 114.7 | 119.4 | 115.6 | 95.3 |
| August | 99.9 | 111.0 | 116.2 | 129.4 | 123.7 | 114.8 | 119.6 | 115.6 | 96.4 |
| September | 99.7 | 110.9 | 116.9 | 128.5 | 124.0 | 114.9 | 120.7 | 116.2 | 94.7 |
| October | 97.1 | 111.2 | 117.5 | 127.9 | 124.1 | 114.8 | 120.7 | 118.1 | 94.4 |
| November | 97.1 | 111.2 | 117.3 | 127.9 | 124.2 | 114.9 | 120.8 | 118.1 | 93.2 |
| December | 95.6 | 111.1 | 117.1 | 127.5 | 124.3 | 115.0 | 120.8 | 118.1 | 100.1 |
| 1954: January | 95.3 | 110.8 | 117.0 | 127.2 | 124.4 | 115.2 | 120.9 | 118.2 | 101.1 |
| February | 94.9 | 110.5 | 117.1 | 128.2 | 124.5 | 115.1 | 121.0 | 118.0 | 102.8 |
| March | 94.7 | 109.2 | 116.6 | 126.3 | 124.5 | 115.0 | 121.0 | 117.9 | 104.9 |
| April | 94.6 | 108.6 | 116.3 | 126.8 | 124.4 | 115.6 | 120.8 | 121.5 | 110.3 |
| May | 96.0 | 108.2 | 115.8 | 127.1 | 124.4 | 115.5 | 119.3 | 121.4 | 109.2 |
| June | 95.6 | 107.8 | 115.8 | 127.1 | 124.3 | 115.4 | 119.1 | 121.4 | 105.1 |
| July | 94.9 | 106.2 | 116.2 | 128.0 | 124.3 | 115.3 | 120.4 | 121.4 | 103.9 |
| August | 94.0 | 106.9 | 116.3 | 128.6 | 124.3 | 115.3 | 120.5 | 121.6 | 102.3 |
| September | 93.0 | 106.9 | 116.3 | 129.1 | 124.4 | 115.3 | 121.7 | 121.5 | 99.1 |
| October | 92.4 | 106.9 | 116.3 | 129.7 | 124.3 | 115.6 | 121.9 | 121.5 | 96.7 |
| November | 92.8 | 107.4 | 116.0 | 129.9 | 125.3 | 115.6 | 121.8 | 121.4 | 97.0 |
| December [4] | 91.8 | 107.8 | 115.9 | 129.8 | 125.6 | 115.7 | 121.8 | 121.4 | 98.0 |

[3] Not available.
[4] Preliminary.
Source: Department of Labor.

## TABLE D–36.—*Consumer price indexes, 1929–54*

*For city wage-earner and clerical-worker families*

[1947–49=100]

| Period | All items | Food | Housing: Total | Housing: Rent | Apparel | Transportation | Medical care | Personal care | Reading and recreation | Other goods and services |
|---|---|---|---|---|---|---|---|---|---|---|
| Monthly average: | | | | | | | | | | |
| 1929 | 73.3 | 65.6 | (1) | 117.4 | 60.3 | (1) | (1) | (1) | (1) | (1) |
| 1930 | 71.4 | 62.4 | (1) | 114.2 | 58.9 | (1) | (1) | (1) | (1) | (1) |
| 1931 | 65.0 | 51.4 | (1) | 108.2 | 53.6 | (1) | (1) | (1) | (1) | (1) |
| 1932 | 58.4 | 42.8 | (1) | 97.1 | 47.5 | (1) | (1) | (1) | (1) | (1) |
| 1933 | 55.3 | 41.6 | (1) | 83.6 | 45.9 | (1) | (1) | (1) | (1) | (1) |
| 1934 | 57.2 | 46.4 | (1) | 78.4 | 50.2 | (1) | (1) | (1) | (1) | (1) |
| 1935 | 58.7 | 49.7 | (1) | 78.2 | 50.6 | (1) | (1) | (1) | (1) | (1) |
| 1936 | 59.3 | 50.1 | (1) | 80.1 | 51.0 | (1) | (1) | (1) | (1) | (1) |
| 1937 | 61.4 | 52.1 | (1) | 83.8 | 53.7 | (1) | (1) | (1) | (1) | (1) |
| 1938 | 60.3 | 48.4 | (1) | 86.5 | 53.4 | (1) | (1) | (1) | (1) | (1) |
| 1939 | 59.4 | 47.1 | (1) | 86.6 | 52.6 | (1) | (1) | (1) | (1) | (1) |
| 1940 | 59.9 | 47.8 | (1) | 86.9 | 53.2 | (1) | (1) | (1) | (1) | (1) |
| 1941 | 62.9 | 52.2 | (1) | 88.4 | 55.6 | (1) | (1) | (1) | (1) | (1) |
| 1942 | 69.7 | 61.3 | (1) | 90.4 | 64.9 | (1) | (1) | (1) | (1) | (1) |
| 1943 | 74.0 | 68.3 | (1) | 90.3 | 67.8 | (1) | (1) | (1) | (1) | (1) |
| 1944 | 75.2 | 67.4 | (1) | 90.6 | 72.6 | (1) | (1) | (1) | (1) | (1) |
| [illegible] | | | | | | | | | (1) | (1) |
| [illegible] | | | | | | | | | (1) | (1) |
| [illegible] | | | | | | | | | 95.5 | 96.1 |
| [illegible] | | | | | | | | | 100.4 | 100.5 |
| [illegible] | | | | | | | | | 104.1 | 103.4 |
| [illegible] | | | | | | | | | 103.4 | 105.2 |
| [illegible] | | | | | | | | | 106.5 | 109.7 |
| [illegible] | | | | | | | | | 107.0 | 115.4 |
| [illegible] | | | | | | | | | 108.0 | 118.2 |
| [illegible] | | | | | | | | | 107.1 | 120.2 |
| 1953: First half | 113.8 | 112.3 | 116.9 | 122.1 | 104.6 | 129.3 | 120.0 | 112.6 | 107.8 | 117.2 |
| Second half | 115.0 | 113.3 | 118.4 | 126.1 | 105.0 | 130.1 | 122.6 | 113.1 | 108.2 | 119.2 |
| 1954: First half | 115.0 | 112.9 | 118.8 | 128.1 | 104.4 | 129.3 | 124.6 | 113.4 | 107.4 | 120.2 |
| Second half[2] | 114.8 | 112.8 | 119.3 | 128.8 | 104.2 | 126.5 | 125.7 | 113.5 | 106.8 | 120.1 |
| [illegible] | | | | | | | | | 107.8 | 115.9 |
| [illegible] | | | | | | | | | 107.5 | 115.8 |
| [illegible] | | | | | | | | | 107.7 | 117.5 |
| [illegible] | | | | | | | | | 107.9 | 117.9 |
| [illegible] | | | | | | | | | 108.0 | 118.0 |
| June | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 107.8 | 118.3 |
| [illegible] | | | | | | | | | 107.4 | 118.3 |
| [illegible] | | | | | | | | | 107.6 | 118.4 |
| [illegible] | | | | | | | | | 107.8 | 118.5 |
| [illegible] | | | | | | | | | 108.6 | 119.7 |
| [illegible] | | | | | | | | | 108.9 | 120.2 |
| December | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 108.9 | 120.3 |
| [illegible] | | | | | | | | | 108.7 | 120.3 |
| [illegible] | | | | | | | | | 108.0 | 120.2 |
| [illegible] | | | | | | | | | 108.2 | 120.1 |
| [illegible] | | | | | | | | | 108.5 | 120.2 |
| [illegible] | | | | | | | | | 108.4 | 120.1 |
| [illegible] | | | | | | | | | 108.4 | 120.1 |
| [illegible] | | | | | | | | | 107.0 | 120.3 |
| [illegible] | | | | | | | | | 106.6 | 120.2 |
| [illegible] | | | | | | | | | 106.5 | 120.1 |
| [illegible] | | | | | | | | | 106.9 | 120.1 |
| [illegible] | | | | | | | | | 106.8 | 120.0 |

[1] Not available.
[2] Based on data through November.

Source: Department of Labor.

TABLE D-37.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929–54*

[1910-14=100]

| Period | Prices paid by farmers for items used in | | Parity index (prices paid, interest, taxes, and wage rates) | Prices received by farmers | Parity ratio [1] |
|---|---|---|---|---|---|
| | Family living | Production | | | |
| Monthly average: | | | | | |
| 1929 | 154 | 146 | 160 | 148 | 92 |
| 1930 | 144 | 135 | 151 | 125 | 83 |
| 1931 | 124 | 113 | 130 | 87 | 67 |
| 1932 | 106 | 93 | 112 | 65 | 58 |
| 1933 | 108 | 93 | 109 | 70 | 64 |
| 1934 | 122 | 114 | 120 | 90 | 75 |
| [illegible] | 124 | 122 | 124 | 109 | 88 |
| [illegible] | 124 | 122 | 124 | 114 | 92 |
| [illegible] | 128 | 132 | 131 | 122 | 93 |
| [illegible] | 122 | 122 | 124 | 97 | 78 |
| [illegible] | 120 | 121 | 123 | 95 | 77 |
| [illegible] | 121 | 123 | 124 | 100 | 81 |
| [illegible] | 130 | 130 | 133 | 124 | 93 |
| [illegible] | 149 | 148 | 152 | 159 | 105 |
| [illegible] | 166 | 164 | 171 | [2] 193 | 113 |
| [illegible] | 175 | 173 | 182 | [2] 197 | 108 |
| 1945 | 182 | 176 | 190 | [2] 207 | 109 |
| 1946 | 202 | 191 | 208 | [2] 236 | 113 |
| 1947 | 237 | 224 | 240 | 276 | 115 |
| 1948 | 251 | 250 | 260 | 287 | 110 |
| 1949 | 243 | 238 | 251 | 250 | 100 |
| 1950 | 246 | 244 | 256 | 258 | 101 |
| 1951 | 268 | 273 | 282 | 302 | 107 |
| 1952 | 271 | 274 | 287 | 288 | 100 |
| 1953 | 270 | 253 | 279 | 258 | 92 |
| 1954 | 274 | 252 | 281 | 250 | 89 |
| 1953: First half | 269 | 258 | 281 | 262 | 94 |
| Second half | 271 | 248 | 278 | 254 | 92 |
| 1954: First half | 273 | 255 | 283 | 256 | 90 |
| Second half | 274 | 250 | 280 | 245 | 88 |
| 1953: January | 268 | 265 | 284 | 268 | 94 |
| February | 268 | 261 | 281 | 264 | 94 |
| March | 269 | 261 | 282 | 264 | 94 |
| April | 269 | 257 | 280 | 259 | 92 |
| May | 270 | 256 | 280 | 263 | 94 |
| June | 271 | 247 | 277 | 257 | 93 |
| July | 271 | 250 | 278 | 260 | 94 |
| August | 273 | 248 | 279 | 255 | 91 |
| September | 270 | 247 | 277 | 257 | 93 |
| October | 270 | 245 | 276 | 249 | 90 |
| November | 270 | 247 | 277 | 249 | 90 |
| December | 270 | 249 | 278 | 254 | 91 |
| 1954: January | 271 | 254 | 282 | 259 | 92 |
| February | 272 | 255 | 282 | 258 | 91 |
| March | 272 | 255 | 283 | 256 | 90 |
| April | 273 | 256 | 283 | 257 | 91 |
| May | 276 | 256 | 284 | 258 | 91 |
| June | 276 | 252 | 282 | 248 | 88 |
| July | 277 | 247 | 280 | 247 | 88 |
| August | 277 | 250 | 282 | 251 | 89 |
| September | 273 | 251 | 280 | 246 | 88 |
| October | 273 | 250 | 279 | 242 | 87 |
| November | 272 | 251 | 279 | 244 | 87 |
| December | 272 | 250 | 279 | 239 | 86 |

[1] Ratio of prices received by farmers to parity index.
[2] Includes wartime subsidy payments paid on beef cattle, sheep, lambs, milk, and butterfat between October 1943 and June 1946.

Source: *Department of Agriculture.*

TABLE D-38.—*Indexes of wholesale prices and cost of living in the United States and foreign countries, selected dates*

[1948=100]

| Country | Wholesale prices: January 1954 | Wholesale prices: Latest data: Index | Wholesale prices: Latest data: Date, 1954 | Cost of living: January 1954 | Cost of living: Latest data: Index | Cost of living: Latest data: Date, 1954 |
|---|---|---|---|---|---|---|
| United States | 106 | 105 | December. | 112 | 111 | November. |
| **Africa and Near East:** | | | | | | |
| *Algeria* [1] | 127 | 125 | July. | 140 | 140 | October. |
| Egypt | 107 | 103 | September. | 104 | 100 | September. |
| Iran | 129 | 134 | October. | 118 | 128 | October. |
| Iraq | 76 | 76 | October. | 71 | 72 | October. |
| Israel | 256 | 283 | October. | 227 | 240 | October. |
| Lebanon | 74 | 71 | September. | 86 | 83 | September. |
| *Morocco* | 137 | 136 | October. | [3] 161 | [3] 160 | October. |
| Tunisia | 155 | 159 | August. | [3] 168 | [3] 168 | August. |
| Union of South Africa | 150 | 152 | October. | 130 | 134 | October. |
| **Western European countries:** | | | | | | |
| Austria | 244 | 256 | November. | 204 | 210 | November. |
| Belgium | 106 | 105 | October. | 107 | 107 | November. |
| Denmark | 133 | 136 | November. | 123 | 125 | October. |
| *France* | 155 | 151 | November. | 166 | 166 | October. |
| Germany (Federal Republic) | 110 | 110 | September. | 107 | 109 | October. |
| *Greece* | [4] 156 | [4] 162 | October. | 178 | 165 | October. |
| Ireland | 127 | 126 | September | [4] 125 | 127 | Third quarter |
| Italy | 97 | 97 | October. | 117 | 121 | October. |
| Netherlands | 135 | 136 | October. | 131 | 135 | October. |
| Norway | 152 | 155 | November. | 137 | 143 | October. |
| Portugal | 110 | 109 | September. | 102 | 101 | October. |
| Spain | 176 | 176 | September. | 128 | 128 | September. |
| Sweden | 138 | 138 | October | [4] 131 | 131 | September. |
| Switzerland | 98 | 99 | October. | 104 | 106 | November. |
| Turkey | 115 | 117 | September. | 120 | 122 | October. |
| United Kingdom | 149 | 150 | October. | 130 | 134 | October. |
| **Latin America:** | | | | | | |
| Argentina | (5) | (5) | (5). | 318 | 338 | August. |
| *Brazil* | 228 | 260 | September. | 170 | 200 | October. |
| Chile | 329 | 466 | September | 335 | 518 | October. |
| Costa Rica | 101 | 104 | October. | 122 | 128 | October. |
| Cuba | 93 | 93 | July. | [3] 87 | [3] 68 | August. |
| Dominican Republic | 87 | 91 | October. | 100 | 102 | November. |
| El Salvador | 169 | 160 | November. | 155 | 152 | August |
| Guatemala | 112 | 124 | October. | 118 | 126 | September. |
| Mexico | 152 | 173 | October. | 140 | 152 | October. |
| Nicaragua | 175 | 170 | August. | [3] 159 | [3] 164 | August. |
| *Paraguay* | 951 | 1,110 | August. | 1,275 | 1,454 | September. |
| Peru | 216 | 231 | September. | 171 | 176 | September. |
| Venezuela | 98 | 101 | September. | 118 | 115 | March. |
| **Pacific and Far East:** | | | | | | |
| Australia | 186 | 186 | September. | [4] 179 | 179 | Third quarter. |
| India | 109 | 102 | November. | 106 | 103 | September. |
| Indochina [1] | 159 | 152 | August. | 206 | 203 | August. |
| Japan | 288 | 275 | October. | 169 | 171 | September. |
| New Zealand | 139 | 138 | September. | [4] 139 | 141 | Third quarter. |
| Philippines | [1] 98 | [1] 92 | November. | 86 | 88 | October. |
| Thailand | 99 | 99 | September. | 139 | 128 | September. |
| **Other:** | | | | | | |
| Canada | 114 | 111 | October. | 120 | 120 | November. |
| Finland | 159 | 155 | November. | 158 | 168 | October. |

[1] 1949=100

[2] Includes food costs only.

[3] 1950=100.

[4] First quarter.

[5] Not available.

NOTE.—The components of the indexes are not the same for all countries.

Sources: International Monetary Fund and United Nations Organization.

TABLE D-39.—*Short- and intermediate-term consumer credit outstanding, 1929–54*

[Millions of dollars]

| End of period | Total | Instalment credit | | | | | Noninstalment credit | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Automobile paper [1] | Other consumer goods paper [1] | Repair and modernization loans [2] | Personal loans | Total | Charge accounts | Other [3] |
| 1929 | 6,444 | 3,151 | (4) | (4) | (4) | (4) | 3,293 | 1,602 | 1,691 |
| 1930 | 5,767 | 2,687 | (4) | (4) | (4) | (4) | 3,080 | 1,476 | 1,604 |
| 1931 | 4,760 | 2,207 | (4) | (4) | (4) | (4) | 2,553 | 1,265 | 1,288 |
| 1932 | 3,567 | 1,521 | (4) | (4) | (4) | (4) | 2,046 | 1,020 | 1,026 |
| 1933 | 3,482 | 1,588 | (4) | (4) | (4) | (4) | 1,894 | 990 | 904 |
| 1934 | 3,904 | 1,871 | (4) | (4) | (4) | (4) | 2,033 | 1,102 | 931 |
| 1935 | 4,911 | 2,694 | (4) | (4) | (4) | (4) | 2,217 | 1,183 | 1,034 |
| 1936 | 6,135 | 3,623 | (4) | (4) | (4) | (4) | 2,512 | 1,300 | 1,212 |
| 1937 | 6,689 | 4,015 | (4) | (4) | (4) | (4) | 2,674 | 1,336 | 1,338 |
| 1938 | 6,338 | 3,691 | (4) | (4) | (4) | (4) | 2,647 | 1,362 | 1,285 |
| 1939 | 7,222 | 4,503 | 1,497 | 1,620 | 298 | 1,088 | 2,719 | 1,414 | 1,305 |
| 1940 | 8,338 | 5,514 | 2,071 | 1,827 | 371 | 1,245 | 2,824 | 1,471 | 1,353 |
| 1941 | 9,172 | 6,085 | 2,458 | 1,929 | 376 | 1,322 | 3,087 | 1,645 | 1,442 |
| 1942 | 5,983 | 3,166 | 742 | 1,195 | 255 | 974 | 2,817 | 1,444 | 1,373 |
| 1943 | 4,901 | 2,136 | 355 | 819 | 130 | 832 | 2,765 | 1,440 | 1,325 |
| 1944 | 5,111 | 2,176 | 397 | 791 | 119 | 869 | 2,935 | 1,517 | 1,418 |
| 1945 | 5,665 | 2,462 | 455 | 816 | 182 | 1,009 | 3,203 | 1,612 | 1,591 |
| 1946 | 8,384 | 4,172 | 981 | 1,290 | 405 | 1,496 | 4,212 | 2,076 | 2,136 |
| 1947 | 11,570 | 6,695 | 1,924 | 2,143 | 718 | 1,910 | 4,875 | 2,353 | 2,522 |
| 1948 | 14,411 | 8,968 | 3,054 | 2,842 | 843 | 2,229 | 5,443 | 2,713 | 2,730 |
| 1949 | 17,104 | 11,516 | 4,699 | 3,486 | 887 | 2,444 | 5,588 | 2,680 | 2,908 |
| | | | | 4,337 | 1,006 | 2,805 | 6,323 | 3,006 | 3,317 |
| | | | | 4,270 | 1,090 | 3,235 | 6,631 | 3,096 | 3,535 |
| | | | | 5,328 | 1,406 | 3,851 | 7,143 | 3,342 | 3,801 |
| | | | | 5,831 | 1,649 | 4,366 | 7,350 | 3,411 | 3,939 |
| [5] | | | | 5,700 | 1,600 | 4,600 | 7,700 | 3,500 | 4,200 |
| 1953: January | 25,708 | 18,872 | 8,273 | 5,306 | 1,403 | 3,890 | 6,836 | 2,985 | 3,851 |
| February | 25,669 | 19,017 | 8,479 | 5,237 | 1,405 | 3,896 | 6,552 | 2,699 | 3,853 |
| March | 26,050 | 19,447 | 8,798 | 5,263 | 1,417 | 3,969 | 6,603 | 2,642 | 3,961 |
| April | 26,595 | 19,844 | 9,110 | 5,279 | 1,438 | 4,017 | 6,751 | 2,722 | 4,029 |
| May | 27,231 | 20,308 | 9,429 | 5,348 | 1,468 | 4,063 | 6,923 | 2,812 | 4,111 |
| June | 27,606 | 20,745 | 9,688 | 5,420 | 1,500 | 4,137 | 6,861 | 2,834 | 4,027 |
| July | 27,838 | 21,157 | 9,950 | 5,457 | 1,530 | 4,190 | 6,681 | 2,766 | 3,916 |
| August | 28,127 | 21,410 | 10,153 | 5,483 | 1,555 | 4,219 | 6,717 | 2,738 | 3,979 |
| September | 28,344 | 21,581 | 10,260 | 5,492 | 1,588 | 4,241 | 6,763 | 2,783 | 3,980 |
| October | 28,600 | 21,766 | 10,373 | 5,529 | 1,619 | 4,245 | 6,834 | 2,886 | 3,948 |
| November | 28,760 | 21,907 | 10,404 | 5,587 | 1,645 | 4,271 | 6,853 | 2,931 | 3,922 |
| December | 29,537 | 22,187 | 10,341 | 5,831 | 1,649 | 4,366 | 7,350 | 3,411 | 3,939 |
| 1954: January | 28,724 | 21,836 | 10,158 | 5,697 | 1,635 | 4,346 | 6,888 | 3,002 | 3,886 |
| February | 28,140 | 21,582 | 10,010 | 5,588 | 1,623 | 4,361 | 6,558 | 2,682 | 3,876 |
| March | 27,833 | 21,381 | 9,919 | 5,443 | 1,614 | 4,405 | 6,452 | 2,564 | 3,888 |
| April | 28,095 | 21,426 | 9,942 | 5,413 | 1,617 | 4,454 | 6,669 | 2,723 | 3,946 |
| May | 28,372 | 21,487 | 10,002 | 5,370 | 1,634 | 4,481 | 6,885 | 2,786 | 4,099 |
| June | 28,666 | 21,717 | 10,168 | 5,367 | 1,635 | 4,547 | 6,949 | 2,819 | 4,130 |
| July | 28,725 | 21,849 | 10,298 | 5,328 | 1,637 | 4,586 | 6,876 | 2,773 | 4,103 |
| August | 28,736 | 21,901 | 10,349 | 5,294 | 1,642 | 4,616 | 6,835 | 2,734 | 4,101 |
| September | 28,856 | 21,935 | 10,366 | 5,287 | 1,642 | 4,641 | 6,921 | 2,807 | 4,114 |
| October | 28,975 | 21,952 | 10,340 | 5,324 | 1,637 | 4,651 | 7,023 | 2,892 | 4,131 |
| November | 29,209 | 22,014 | 10,296 | 5,398 | 1,631 | 4,689 | 7,195 | 3,042 | 4,153 |
| December [5] | 30,200 | 22,500 | 10,400 | 5,700 | 1,600 | 4,800 | 7,700 | 3,500 | 4,200 |

[1] Includes all consumer credit extended for the purpose of purchasing automobiles and other consumer goods and secured by the items purchased.

[2] Includes only such loans held by financial institutions; those held by retail outlets are included in "other consumer goods paper."

[3] Single-payment loans and service credit.

[4] Not available.

[5] Preliminary estimates by Council of Economic Advisers.

Source: Board of Governors of the Federal Reserve System (except as noted).

**Table D-40.**—*Instalment credit extended and repaid, 1940–54*

[Millions of dollars]

| Period | Total | | Automobile paper | | Other consumer goods paper | | Repair and modernization loans | | Personal loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Extended | Repaid | Extended | Repaid | Extended | Repaid | Extended | Repaid | Extended | Repaid |
| 1940 | 8,219 | 7,208 | 3,086 | 2,512 | 2,688 | 2,381 | 328 | 255 | 2,217 | 2,060 |
| 1941 | 9,425 | 8,854 | 3,823 | 3,436 | 2,929 | 2,827 | 312 | 307 | 2,361 | 2,284 |
| 1942 | 5,239 | 8,158 | 1,022 | 2,738 | 2,176 | 2,910 | 142 | 263 | 1,899 | 2,247 |
| 1943 | 4,587 | 5,617 | 762 | 1,149 | 1,985 | 2,361 | 102 | 227 | 1,738 | 1,880 |
| 1944 | 4,894 | 4,834 | 930 | 888 | 1,957 | 1,985 | 124 | 133 | 1,883 | 1,848 |
| 1945 | 5,379 | 5,093 | 999 | 941 | 2,024 | 1,999 | 206 | 143 | 2,150 | 2,010 |
| 1946 | 8,495 | 6,785 | 1,969 | 1,443 | 3,077 | 2,603 | 423 | 200 | 3,026 | 2,539 |
| 1947 | 12,713 | 10,190 | 3,692 | 2,749 | 4,498 | 3,646 | 704 | 391 | 3,819 | 3,405 |
| 1948 | 15,540 | 13,267 | 5,280 | 4,150 | 5,280 | 4,581 | 702 | 577 | 4,278 | 3,959 |
| 1949 | 18,002 | 15,454 | 7,182 | 5,637 | 5,533 | 4,889 | 721 | 677 | 4,566 | 4,351 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6,458 | 6,607 | 826 | 707 | 5,044 | 4,583 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6,518 | 6,585 | 853 | 769 | 6,058 | 5,628 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7,959 | 6,901 | 1,243 | 927 | 6,889 | 6,273 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 8,014 | 7,511 | 1,387 | 1,144 | 7,299 | 6,784 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 7,700 | 7,800 | 1,200 | 1,300 | 7,800 | 7,400 |
| 1953: First half | 15,161 | 13,100 | 7,064 | 5,475 | 3,851 | 3,759 | 649 | 555 | 3,597 | 3,311 |
| Second half | 15,160 | 13,718 | 6,557 | 5,904 | 4,163 | 3,752 | 738 | 589 | 3,702 | 3,473 |
| 1954: First half | 13,783 | 14,253 | 5,938 | 6,111 | 3,503 | 3,967 | 602 | 616 | 3,740 | 3,559 |
| Second half [1] | 15,500 | 14,700 | 6,600 | 6,400 | 4,200 | 3,800 | 600 | 700 | 4,100 | 3,800 |
| 1953: January | 2,304 | 2,116 | 1,050 | 878 | 597 | 619 | 95 | 98 | 562 | 523 |
| February | 2,173 | 2,028 | 1,043 | 837 | 521 | 590 | 81 | 79 | 528 | 522 |
| March | 2,742 | 2,312 | 1,260 | 961 | 679 | 653 | 111 | 99 | 672 | 599 |
| April | 2,634 | 2,237 | 1,258 | 946 | 669 | 653 | 111 | 90 | 596 | 548 |
| May | 2,609 | 2,145 | 1,215 | 896 | 679 | 610 | 119 | 89 | 596 | [illegible] |
| June | 2,699 | 2,262 | 1,218 | 959 | 706 | 634 | 132 | 100 | 643 | 569 |
| July | 2,652 | 2,240 | 1,236 | 944 | 645 | 608 | 131 | 101 | 640 | 587 |
| August | 2,477 | 2,224 | 1,135 | 962 | 632 | 606 | 127 | 102 | 583 | 554 |
| September | 2,440 | 2,269 | 1,103 | 996 | 643 | 634 | 125 | 92 | 509 | 547 |
| October | 2,540 | 2,355 | 1,132 | 1,019 | 693 | 656 | 134 | 103 | 581 | 577 |
| November | 2,355 | 2,214 | 987 | 956 | 667 | 609 | 118 | 92 | 553 | 557 |
| December | 2,696 | 2,416 | 964 | 1,027 | 883 | 639 | 103 | 99 | 746 | 651 |
| 1954: January | 1,947 | 2,298 | 780 | 963 | 538 | 672 | 75 | 89 | 554 | 574 |
| February | 1,956 | 2,210 | 809 | 957 | 510 | 619 | 88 | 100 | 549 | 534 |
| March | 2,380 | 2,581 | 1,020 | 1,111 | 574 | 719 | 104 | 113 | 682 | 638 |
| April | 2,400 | 2,355 | 1,038 | 1,015 | 615 | 645 | 105 | 102 | 642 | 593 |
| May | 2,397 | 2,336 | 1,047 | 987 | 607 | 650 | 121 | 104 | 612 | 595 |
| June | 2,703 | 2,473 | 1,244 | 1,078 | 659 | 662 | 109 | 108 | 691 | 625 |
| July | 2,549 | 2,417 | 1,163 | 1,033 | 622 | 661 | 107 | 105 | 657 | 619 |
| August | 2,477 | 2,425 | 1,114 | 1,063 | 607 | 641 | 112 | 107 | 644 | 614 |
| September | 2,441 | 2,407 | 1,062 | 1,046 | 629 | 636 | 115 | 115 | 635 | 610 |
| October | 2,454 | 2,437 | 1,031 | 1,056 | 687 | 650 | 106 | 111 | 630 | 620 |
| November | 2,534 | 2,472 | 1,022 | 1,066 | 714 | 640 | 108 | 114 | 690 | 633 |
| December [1] | 3,000 | 2,500 | 1,200 | 1,100 | 900 | 600 | 100 | 100 | 800 | 700 |

[1] Preliminary; December by Council of Economic Advisers.

Note.—Detail for preliminary estimates will not necessarily add to totals because of rounding.

Source. Board of Governors of the Federal Reserve System (except as noted).

TABLE D-41.—*Mortgage debt outstanding, by type of property mortgaged, 1939–54*

[Billions of dollars]

| End of period | All properties | Nonfarm properties | | | Farm properties |
|---|---|---|---|---|---|
| | | Total | 1- to 4-family houses | Multifamily and commercial properties [1] | |
| 1939 | 35.5 | 28.9 | 16.3 | 12.6 | 6.6 |
| 1940 | 36.5 | 30.0 | 17.4 | 12.6 | 6.5 |
| 1941 | 37.6 | 31.2 | 18.4 | 12.9 | 6.4 |
| 1942 | 36.7 | 30.8 | 18.2 | 12.5 | 6.0 |
| 1943 | 35.3 | 29.9 | 17.8 | 12.1 | 5.4 |
| 1944 | 34.7 | 29.7 | 17.9 | 11.8 | 4.9 |
| 1945 | 35.5 | 30.8 | 18.6 | 12.2 | 4.8 |
| 1946 | 41.8 | 36.9 | 23.1 | 13.8 | 4.9 |
| 1947 | 48.9 | 43.9 | 28.2 | 15.7 | 5.1 |
| 1948 | 56.2 | 50.9 | 33.3 | 17.6 | 5.3 |
| 1949 | 62.7 | 57.1 | 37.5 | 19.6 | 5.6 |
| 1950 | 72.8 | 66.7 | 45.1 | 21.6 | 6.1 |
| 1951 | 82.1 | 75.6 | 51.9 | 23.7 | 6.6 |
| 1952 | 91.1 | 84.0 | 58.7 | 25.3 | 7.2 |
| 1953 | 101.0 | 93.3 | 66.3 | 27.1 | 7.7 |
| 1954 | 112.8 | 104.6 | 75.0 | 29.6 | 8.2 |
| 1953: First quarter | 93.4 | 86.0 | 60.4 | 25.7 | 7.3 |
| Second quarter | 96.2 | 88.7 | 62.6 | 26.1 | 7.5 |
| Third quarter | 98.7 | 91.2 | 64.6 | 26.6 | 7.6 |
| Fourth quarter | 101.0 | 93.3 | 66.3 | 27.1 | 7.7 |
| 1954: First quarter | 103.1 | 95.3 | 67.7 | 27.5 | 7.8 |
| Second quarter | 106.2 | 98.2 | 70.0 | 28.3 | 8.0 |
| Third quarter | 109.8 | 101.6 | 72.6 | 29.0 | 8.1 |
| Fourth quarter | 112.8 | 104.6 | 75.0 | 29.6 | 8.2 |

[1] Derived figures which include negligible amount of farm loans held by savings and loan associations.

NOTE.—Data for first 3 quarters of 1953 and all data for 1954 are estimates.

Source: Board of Governors of the Federal Reserve System, compiled from data supplied by various Government and private organizations.

TABLE D–42.—*Deposits and currency, 1929–54*

[Millions of dollars]

| End of period [1] | Total deposits and currency | Demand deposits adjusted and currency [2]: Total | Currency outside banks | Demand deposits adjusted [3] | Time deposits adjusted [2, 4] | U.S. Government deposits [5] |
|---|---|---|---|---|---|---|
| 1929 | 54,742 | 26,366 | 3,557 | 22,809 | 28,189 | 187 |
| 1930 | 53,572 | 24,572 | 3,605 | 20,967 | 28,676 | 324 |
| 1931 | 48,379 | 21,882 | 4,470 | 17,412 | 25,979 | 518 |
| 1932 | 45,370 | 20,397 | 4,669 | 15,728 | 24,457 | 518 |
| 1933 | 42,551 | 19,817 | 4,782 | 15,035 | 21,715 | 1,019 |
| 1934 | 48,106 | 23,114 | 4,655 | 18,459 | 23,106 | 1,836 |
| 1935 | 52,726 | 27,032 | 4,917 | 22,115 | 24,241 | 1,453 |
| 1936 | 57,595 | 30,999 | 5,516 | 25,483 | 25,361 | 1,235 |
| 1937 | 56,781 | 29,597 | 5,638 | 23,959 | 26,218 | 966 |
| 1938 | 59,878 | 31,761 | 5,775 | 25,986 | 26,305 | 1,812 |
| 1939 | 64,733 | 36,194 | 6,401 | 29,793 | 27,059 | 1,480 |
| 1940 | 71,129 | 42,270 | 7,325 | 34,945 | 27,738 | 1,121 |
| 1941 | 79,098 | 48,607 | 9,615 | 38,992 | 27,729 | 2,762 |
| 1942 | 100,500 | 62,868 | 13,946 | 48,922 | 28,431 | 9,201 |
| 1943 | 123,391 | 79,640 | 18,837 | 60,803 | 32,748 | 11,003 |
| 1944 | 151,428 | 90,435 | 23,505 | 66,930 | 39,790 | 21,203 |
| 1945 | 176,378 | 102,341 | 26,490 | 75,851 | 48,452 | 25,585 |
| 1946 | 167,500 | 110,044 | 26,730 | 83,314 | 53,960 | 3,496 |
| 1947 | 172,330 | 113,597 | 26,476 | 87,121 | 56,411 | 2,322 |
| 1948 | 172,693 | 111,599 | 26,079 | 85,520 | 57,520 | 3,574 |
| 1949 | 173,851 | 111,165 | 25,415 | 85,750 | 58,616 | 4,070 |
| 1950 | 180,574 | 117,670 | 25,398 | 92,272 | 59,247 | 3,657 |
| 1951 | 189,861 | 124,549 | 26,315 | 98,234 | 61,450 | 3,663 |
| 1952 | 200,449 | 129,002 | 27,494 | 101,508 | 65,799 | 5,648 |
| 1953 | 205,720 | 130,542 | 28,091 | 102,451 | 70,375 | 4,803 |
| 1954 [6] | 215,200 | 134,600 | 28,000 | 106,600 | 75,600 | 5,100 |
| 1953: January | 198,300 | 127,300 | 26,800 | 100,500 | 66,100 | 4,000 |
| February | 197,400 | 125,200 | 26,900 | 98,300 | 66,400 | 5,600 |
| March | 196,800 | 124,300 | 26,900 | 97,400 | 66,600 | 5,600 |
| April | 195,400 | 125,000 | 27,000 | 98,000 | 67,200 | 3,200 |
| May | 195,400 | 124,500 | 27,000 | 97,500 | 67,600 | 3,300 |
| June | 196,634 | 124,267 | 27,369 | 96,898 | 68,293 | 4,074 |
| July | 201,300 | 124,600 | 27,200 | 97,400 | 68,400 | 8,300 |
| August | 201,100 | 124,800 | 27,300 | 97,500 | 68,700 | 7,700 |
| September | 201,100 | 125,200 | 27,500 | 97,700 | 69,100 | 6,600 |
| October | 201,700 | 127,700 | 27,400 | 100,300 | 69,600 | 4,400 |
| November | 203,600 | 128,100 | 27,900 | 100,200 | 69,300 | 6,200 |
| December | 205,720 | 130,542 | 28,091 | 102,451 | 70,375 | 4,803 |
| 1954: January | 203,500 | 129,200 | 26,900 | 102,300 | 70,600 | 3,700 |
| February | 202,400 | 126,500 | 26,900 | 99,600 | 71,000 | 5,000 |
| March | 201,300 | 123,600 | 26,900 | 96,700 | 71,700 | 6,100 |
| April | 202,300 | 125,300 | 26,700 | 98,600 | 72,000 | 5,000 |
| May | 203,600 | 125,500 | 26,800 | 98,700 | 72,500 | 5,600 |
| June | 205,287 | 125,225 | 27,093 | 98,132 | 73,292 | 6,770 |
| July [7] | 204,800 | 126,800 | 26,800 | 100,000 | 73,700 | 4,400 |
| August [7] | 206,300 | 126,300 | 26,900 | 99,400 | 74,000 | 6,000 |
| September [7] | 207,700 | 128,100 | 26,900 | 101,200 | 74,400 | 5,200 |
| October [7] | 211,400 | 130,000 | 26,900 | 103,100 | 74,700 | 4,500 |
| November [7] | 213,500 | 131,700 | 27,500 | 104,200 | 74,200 | 7,360 |
| December [6] | 215,200 | 134,600 | 28,000 | 106,600 | 75,600 | 5,100 |

[1] June, December, and end-of-year figures are for call dates. Other data are for the last Wednesday of

[5] Includes U. S. Government deposits at Federal Reserve Banks and commercial and savings banks and, beginning with 1938, includes U. S. Treasurer's time deposits, open account.
[6] Preliminary estimates by Council of Economic Advisers.
[7] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System (except as noted).

TABLE D-43.—*Loans and investments of all commercial banks, 1929–54*

[Billions of dollars]

| End of period [1] | Total loans and investments | Loans | | Investments | | |
|---|---|---|---|---|---|---|
| | | Total [2] | Commercial and industrial loans [3] | Total | U. S. Government obligations | Other securities |
| 1929—June [4] | 49.4 | 35.7 | (5) | 13.7 | 4.9 | 8.7 |
| 1930—June [4] | 48.9 | 34.5 | (5) | 14.4 | 5.0 | 9.4 |
| 1931—June [4] | 44.9 | 29.2 | (5) | 15.7 | 6.0 | 9.7 |
| 1932—June [4] | 36.1 | 21.8 | (5) | 14.3 | 6.2 | 8.1 |
| 1933—June [4] | 30.4 | 16.3 | (5) | 14.0 | 7.5 | 6.5 |
| 1934—June [4] | 32.7 | 15.7 | (5) | 17.0 | 10.3 | 6.7 |
| 1935 | 36.1 | 15.2 | (5) | 20.9 | 13.8 | 7.1 |
| 1936 | 39.6 | 16.4 | (5) | 23.1 | 15.3 | 7.9 |
| 1937 | 38.4 | 17.2 | (5) | 21.2 | 14.2 | 7.0 |
| 1938 | 38.7 | 16.4 | 5.7 | 22.3 | 15.1 | 7.2 |
| 1939 | 40.7 | 17.2 | 6.4 | 23.4 | 16.3 | 7.1 |
| 1940 | 43.9 | 18.8 | 7.3 | 25.1 | 17.8 | 7.4 |
| 1941 | 50.7 | 21.7 | 9.3 | 29.0 | 21.8 | 7.2 |
| 1942 | 67.4 | 19.2 | 7.9 | 48.2 | 41.4 | 6.8 |
| 1943 | 85.1 | 19.1 | 7.9 | 66.0 | 59.8 | 6.1 |
| 1944 | 105.5 | 21.6 | 8.0 | 83.9 | 77.6 | 6.3 |
| 1945 | 124.0 | 26.1 | 9.6 | 97.9 | 90.6 | 7.3 |
| 1946 | 114.0 | 31.1 | 14.2 | 82.9 | 74.8 | 8.1 |
| 1947 | 116.3 | 38.1 | 18.2 | 78.2 | 69.2 | 9.0 |
| 1948 | 114.3 | 42.5 | 18.9 | 71.8 | 62.6 | 9.2 |
| 1949 | 120.2 | 43.0 | 17.1 | 77.2 | 67.0 | 10.2 |
| 1950 | 126.7 | 52.2 | 21.9 | 74.4 | 62.0 | 12.4 |
| 1951 | 132.6 | 57.7 | 25.9 | 74.9 | 61.5 | 13.3 |
| 1952 | 141.6 | 64.2 | 27.9 | 77.5 | 63.3 | 14.1 |
| 1953 | 145.7 | 67.6 | 27.2 | 78.1 | 63.4 | 14.7 |
| 1954 [6] | 155.9 | 70.2 | 26.7 | 85.7 | 69.4 | 16.3 |
| 1953: January | 140.8 | 63.9 | 27.5 | 76.9 | 62.8 | 14.2 |
| February | 140.1 | 64.1 | 27.4 | 76.0 | 61.9 | 14.1 |
| March | 140.0 | 65.2 | 27.9 | 74.8 | 60.6 | 14.3 |
| April | 138.5 | 65.3 | 27.8 | 73.2 | 58.9 | 14.4 |
| May | 138.1 | 65.4 | 27.6 | 72.7 | 58.3 | 14.4 |
| June | 138.0 | 65.0 | 27.4 | 72.9 | 58.6 | 14.3 |
| July | 143.2 | 65.6 | 27.5 | 77.6 | 63.2 | 14.3 |
| August | 143.1 | 66.0 | 27.7 | 77.1 | 62.6 | 14.5 |
| September | 143.0 | 66.3 | 27.9 | 76.7 | 62.2 | 14.5 |
| October | 144.0 | 67.1 | 27.9 | 76.9 | 62.3 | 14.5 |
| November | 145.5 | 67.3 | 27.8 | 78.3 | 63.7 | 14.6 |
| December | 145.7 | 67.6 | 27.2 | 78.1 | 63.4 | 14.7 |
| 1954: January | 145.3 | 66.5 | 26.6 | 78.9 | 64.2 | 14.7 |
| February | 144.9 | 66.9 | 26.4 | 78.0 | 63.0 | 15.0 |
| March | 142.8 | 67.1 | 26.7 | 75.7 | 60.7 | 15.1 |
| April | 144.1 | 66.8 | 26.2 | 77.4 | 62.1 | 15.2 |
| May | 145.7 | 67.1 | 26.0 | 78.6 | 63.3 | 15.3 |
| June | 146.4 | 67.3 | 26.1 | 79.0 | 63.5 | 15.5 |
| July [7] | 147.3 | 67.3 | 25.8 | 80.0 | 64.3 | 15.7 |
| August [7] | 149.5 | 66.5 | 25.8 | 83.0 | 67.3 | 15.7 |
| September [7] | 150.6 | 67.3 | 26.1 | 83.3 | 67.3 | 16.0 |
| October [7] | 154.1 | 67.8 | 26.1 | 86.3 | 70.2 | 16.1 |
| November [7] | 156.1 | 69.7 | 26.5 | 86.4 | 70.3 | 16.2 |
| December [6] | 155.9 | 70.2 | 26.7 | 85.7 | 69.4 | 16.3 |

[1] June, December, and end-of-year figures are for call dates. Other data are for the last Wednesday of the month

ment obligations and other securities.

[5] Not available.

[6] Preliminary estimates by Council of Economic Advisers.

[7] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System (except as noted).



325643—55——13

TABLE D-44.—*Member bank reserves and Reserve Bank credit, 1929-54*

[Averages of daily figures, millions of dollars]

| Period | Reserve Bank credit outstanding | | | | Member bank reserve balances | | |
|---|---|---|---|---|---|---|---|
| | Total | U. S. Government securities | Discounts and advances | All other, mainly float | Total | Required [1] | Excess [1] |
| 1929 | 1,459 | 208 | 952 | 300 | 2,358 | 2,315 | 43 |
| 1930 | 1,087 | 564 | 272 | 251 | 2,379 | 2,324 | 55 |
| 1931 | 1,274 | 669 | 327 | 278 | 2,323 | 2,234 | 89 |
| 1932 | 2,077 | 1,461 | 521 | 95 | 2,114 | 1,858 | 256 |
| 1933 | 2,429 | 2,052 | 283 | 94 | 2,343 | [2] 1,815 | [2] 528 |
| 1934 | 2,502 | 2,432 | 36 | 35 | 3,676 | [2] 2,112 | [2] 1,564 |
| 1935 | 2,475 | 2,431 | 7 | 37 | 5,001 | 2,532 | 2,469 |
| 1936 | 2,481 | 2,431 | 6 | 45 | 5,989 | 3,477 | 2,512 |
| 1937 | 2,554 | 2,504 | 14 | 36 | 6,830 | 5,610 | 1,220 |
| 1938 | 2,600 | 2,565 | 9 | 27 | 7,935 | 5,413 | 2,522 |
| 1939 | 2,628 | 2,584 | 5 | 39 | 10,352 | 5,960 | 4,392 |
| 1940 | 2,487 | 2,417 | 4 | 67 | 13,249 | 6,923 | 6,326 |
| 1941 | 2,293 | 2,187 | 5 | 102 | 13,404 | 8,080 | 5,324 |
| 1942 | 3,408 | 3,191 | 7 | 210 | 12,648 | 9,980 | 2,668 |
| 1943 | 8,182 | 7,724 | 25 | 433 | 12,626 | 11,116 | 1,510 |
| 1944 | 15,356 | 14,772 | 135 | 451 | 13,222 | 12,176 | 1,046 |
| 1945 | 22,211 | 21,363 | 376 | 472 | 15,055 | 13,934 | 1,121 |
| 1946 | 24,029 | 23,250 | 310 | 469 | 15,969 | 14,993 | 976 |
| 1947 | 22,989 | 22,330 | 219 | 441 | 16,461 | 15,608 | 853 |
| 1948 | 22,283 | 21,511 | 331 | 441 | 18,001 | 17,164 | 837 |
| 1949 | 20,161 | 19,560 | 231 | 370 | 17,774 | 16,952 | 822 |
| 1950 | 19,062 | 18,410 | 129 | 522 | 16,400 | 15,617 | 783 |
| 1951 | 24,070 | 22,756 | 293 | 1,021 | 19,293 | 18,536 | 757 |
| 1952 | 24,801 | 23,066 | 801 | 935 | 20,356 | 19,642 | 714 |
| 1953 | 26,262 | 24,661 | 777 | 824 | 19,996 | 19,319 | 677 |
| | 25,602 | 24,646 | 217 | 739 | 19,278 | [1] 18,502 | [1] 774 |
| 1953: January | 26,586 | 24,202 | 1,372 | 1,012 | 20,958 | 20,251 | 707 |
| February | 26,080 | 23,918 | 1,336 | 826 | 20,520 | 19,882 | 638 |
| March | 26,025 | 23,892 | 1,220 | 913 | 20,416 | 19,828 | 588 |
| April | 25,892 | 23,861 | 1,184 | 847 | 20,007 | 19,472 | 535 |
| May | 25,682 | 23,973 | 955 | 754 | 19,897 | 19,306 | 591 |
| June | 25,960 | 24,748 | 433 | 779 | 20,287 | 19,499 | 788 |
| July | 26,123 | 24,955 | 428 | 740 | 19,653 | 18,869 | 784 |
| August | 26,322 | 25,000 | 658 | 663 | 19,526 | 18,882 | 644 |
| September | 26,410 | 25,168 | 468 | 774 | 19,552 | 18,834 | 718 |
| October | 26,514 | 25,344 | 367 | 802 | 19,536 | 18,784 | 752 |
| November | 26,413 | 25,172 | 494 | 747 | 19,718 | 19,035 | 683 |
| December | 27,107 | 25,639 | 448 | 1,021 | 19,920 | 19,227 | 693 |
| 1954. January | 26,243 | 25,263 | 118 | 863 | 20,179 | 19,243 | 936 |
| February | 25,746 | 24,770 | 308 | 669 | 19,557 | 18,925 | 632 |
| March | 25,553 | 24,633 | 205 | 714 | 19,573 | 18,891 | 682 |
| April | 25,483 | 24,635 | 151 | 697 | 19,392 | 18,627 | 765 |
| May | 25,503 | 24,689 | 172 | 641 | 19,533 | 18,817 | 716 |
| June | 25,876 | 24,998 | 166 | 711 | 19,670 | 18,813 | 857 |
| July | 25,571 | 24,771 | 104 | 696 | 19,164 | 18,329 | 835 |
| August | 24,855 | 23,989 | 210 | 655 | 18,478 | 17,638 | 840 |
| September | 24,838 | 23,941 | 170 | 726 | 18,403 | 17,628 | 775 |
| October | 25,459 | 24,485 | 254 | 721 | 18,893 | 18,173 | 720 |
| November | 25,776 | 24,661 | 345 | 770 | 19,207 | 18,393 | 814 |
| December | 26,317 | 24,917 | 407 | 993 | 19,279 | [3] 18,568 | [3] 711 |

[1] Estimates.
[2] Data on required and excess reserves from March 1933 through April 1934 for licensed banks only.
[3] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: *Board of Governors of the Federal Reserve System.*

TABLE D-45.—*U. S. Government debt—volume and kind of obligations, 1929-54*

[Billions of dollars]

| End of period | Gross public debt and guaranteed issues [1] | Interest-bearing public debt: Marketable public issues: Short-term issues [2] | Marketable public issues: Treasury bonds | Nonmarketable public issues: United States savings bonds | Nonmarketable public issues: Treasury tax and savings notes | Nonmarketable public issues: Investment bonds [3] | Special issues [4] |
|---|---|---|---|---|---|---|---|
| 1929 | 16.3 | 2.3 | 11.3 | ---- | ---- | ---- | 0.6 |
| 1930 | 16.0 | 2.9 | 11.2 | ---- | ---- | ---- | .5 |
| 1931 | 17.8 | 2.8 | 13.5 | ---- | ---- | ---- | .4 |
| 1932 | 20.8 | 5.9 | 13.4 | ---- | ---- | ---- | .4 |
| 1933 | 24.0 | 7.5 | 14.7 | ---- | ---- | ---- | .4 |
| 1934 | 31.5 | 11.1 | 15.4 | ---- | ---- | ---- | .6 |
| 1935 | 35.1 | 14.2 | 14.2 | 0.2 | ---- | ---- | .7 |
| 1936 | 39.1 | 12.5 | 19.5 | .5 | ---- | ---- | .6 |
| 1937 | 41.9 | 12.5 | 20.5 | 1.0 | ---- | ---- | 2.2 |
| 1938 | 44.4 | 9.8 | 24.0 | 1.4 | ---- | ---- | 3.2 |
| 1939 | 47.6 | 7.7 | 26.9 | 2.2 | ---- | ---- | 4.2 |
| 1940 | 50.9 | 7.5 | 28.0 | 3.2 | ---- | ---- | 5.4 |
| 1941 | 64.3 | 8.0 | 33.4 | 6.1 | 2.5 | ---- | 7.0 |
| 1942 | 112.5 | 27.0 | 49.3 | 15.0 | 6.4 | ---- | 9.0 |
| 1943 | 170.1 | 47.1 | 67.9 | 27.4 | 8.6 | ---- | 12.7 |
| 1944 | 232.1 | 69.9 | 91.6 | 40.4 | 9.8 | ---- | 16.3 |
| 1945 | 278.7 | 78.2 | 120.4 | 48.2 | 8.2 | ---- | 20.0 |
| 1946 | 259.5 | 57.1 | 119.3 | 49.8 | 5.7 | ---- | 24.5 |
| 1947 | 257.0 | 47.7 | 117.9 | 52.1 | 5.4 | 1.0 | 29.0 |
| 1948 | 252.9 | 45.9 | 111.4 | 55.1 | 4.6 | 1.0 | 31.7 |
| 1949 | 257.2 | 50.2 | 104.8 | 56.7 | 7.6 | 1.0 | 33.9 |
| 1950 | 256.7 | 58.3 | 94.0 | 58.0 | 8.6 | 1.0 | 33.7 |
| 1951 | 259.5 | 65.6 | 76.9 | 57.6 | 7.5 | 13.0 | 35.9 |
| 1952 | 267.4 | 68.7 | 79.8 | 57.9 | 5.8 | 13.4 | 39.2 |
| 1953 | 275.2 | 77.3 | 77.2 | 57.7 | 6.0 | 12.9 | 41.2 |
| 1954 | 278.8 | 76.0 | 81.8 | 57.7 | 4.5 | 12.7 | 42.6 |
| 1953: January | 267.5 | 68.7 | 79.8 | 58.1 | 5.7 | 13.4 | 39.1 |
| February | 267.6 | 68.0 | 80.4 | 58.3 | 5.6 | 13.4 | 39.3 |
| March | 264.5 | 65.5 | 80.4 | 58.4 | 4.9 | 13.4 | 39.4 |
| April | 264.6 | 65.6 | 80.4 | 58.4 | 4.8 | 13.3 | 39.5 |
| May | 266.6 | 66.3 | 81.9 | 57.9 | 4.8 | 13.3 | 39.7 |
| June | 266.1 | 66.0 | 81.2 | 57.9 | 4.5 | 13.3 | 40.5 |
| July | 272.7 | 73.4 | 81.2 | 57.9 | 4.7 | 13.2 | 40.6 |
| August | 273.3 | 72.4 | 81.2 | 57.9 | 6.0 | 13.2 | 41.0 |
| September | 273.0 | 79.6 | 73.2 | 57.8 | 5.6 | 13.1 | 41.0 |
| October | 273.5 | 79.6 | 73.2 | 57.8 | 6.3 | 12.9 | 40.9 |
| November | 275.3 | 79.1 | 75.5 | 57.8 | 6.2 | 12.9 | 41.0 |
| December | 275.2 | 77.3 | 77.2 | 57.7 | 6.0 | 12.9 | 41.2 |
| 1954: January | 274.9 | 77.3 | 77.2 | 57.7 | 6.0 | 12.9 | 41.0 |
| February | 274.9 | 71.7 | 82.7 | 57.8 | 5.9 | 12.9 | 41.1 |
| March | 270.3 | 67.2 | 82.8 | 57.9 | 5.6 | 12.8 | 41.0 |
| April | 272.2 | 68.2 | 82.6 | 58.0 | 5.5 | 12.8 | 41.0 |
| May | 273.6 | 72.5 | 80.7 | 58.0 | 5.3 | 12.8 | 41.4 |
| June | 271.3 | 69.9 | 80.4 | 58.1 | 5.1 | 12.8 | 42.2 |
| July | 271.0 | 69.9 | 80.4 | 58.0 | 5.0 | 12.8 | 42.2 |
| August | 275.0 | 69.8 | 84.2 | 58.1 | 4.9 | 12.8 | 42.5 |
| September | 274.8 | 69.7 | 84.2 | 58.1 | 4.8 | 12.7 | 42.4 |
| October | 278.5 | 73.9 | 84.2 | 58.1 | 4.8 | 12.7 | 42.2 |
| November | 278.9 | 73.9 | 84.2 | 58.2 | 4.7 | 12.7 | 42.4 |
| December | 278.8 | 76.0 | 81.8 | 57.7 | 4.5 | 12.7 | 42.6 |

Source: Treasury Department.

## TABLE D-44.—*Member bank reserves and Reserve Bank credit, 192*...

[Averages of daily figures, millions of dollars]

| Period | Reserve Bank credit outstanding | | | | Member ban... | |
|---|---|---|---|---|---|---|
| | Total | U. S. Government securities | Discounts and advances | All other, mainly float | Total | q... |
| 1929 | 1,459 | 208 | 952 | 300 | 2,358 | |
| 1930 | 1,087 | 664 | 272 | 251 | 2,379 | |
| 1931 | 1,274 | 669 | 327 | 278 | 2,323 | |
| 1932 | 2,077 | 1,461 | 521 | 95 | 2,114 | |
| 1933 | 2,429 | 2,052 | 283 | 94 | 2,343 | [illegible] |
| 1934 | 2,502 | 2,432 | 36 | 35 | 3,676 | [illegible] |
| 1935 | 2,475 | 2,431 | 7 | 37 | 5,001 | |
| 1936 | 2,481 | 2,431 | 6 | 45 | 5,989 | |
| 1937 | 2,554 | 2,504 | 14 | 36 | 6,830 | |
| 1938 | 2,600 | 2,565 | 9 | 27 | 7,935 | |
| 1939 | 2,628 | 2,584 | 5 | 39 | 10,352 | |
| 1940 | 2,487 | 2,417 | 4 | 67 | 13,249 | |
| 1941 | 2,293 | 2,187 | 5 | 102 | 13,404 | |
| 1942 | 3,408 | 3,191 | 7 | 210 | 12,649 | |
| 1943 | 8,182 | 7,724 | 25 | 433 | 12,626 | 11 |
| 1944 | 15,358 | 14,772 | 135 | 451 | 13,222 | 12 |
| 1945 | 22,211 | 21,363 | 376 | 472 | 15,055 | 13 |
| 1946 | 24,029 | 23,250 | 310 | 469 | 15,969 | 14 |
| 1947 | 22,989 | 22,330 | 219 | 441 | 16,461 | 15 |
| 1948 | 22,283 | 21,511 | 331 | 441 | 18,001 | 17 |
| 1949 | 20,161 | 19,560 | 231 | 370 | 17,774 | 18, |
| 1950 | 19,062 | 18,410 | 129 | 523 | 18,400 | 15 |
| 1951 | 24,070 | 22,756 | 293 | 1,021 | 19,203 | 18, |
| 1952 | 24,801 | 23,066 | 801 | 935 | 20,356 | 19 |
| 1953 | 26,262 | 24,661 | 777 | 824 | 19,906 | 19 |
| | 25,602 | 24,646 | 217 | 739 | 19,276 | [3] 18, |
| 1953: January | 26,586 | 24,202 | 1,372 | 1,012 | 20,958 | 20, |
| February | 26,080 | 23,918 | 1,336 | 826 | 20,520 | 19, |
| March | 26,025 | 23,892 | 1,220 | 903 | 20,418 | 19, |
| April | 25,892 | 23,861 | 1,184 | 847 | 20,007 | 19,4 |
| May | 25,682 | 23,973 | 955 | 754 | 19,897 | 19, |
| June | 25,960 | 24,748 | 433 | 779 | 20,287 | 19,4 |
| July | 26,123 | 24,955 | 428 | 740 | 19,653 | 18, |
| August | 26,322 | 25,000 | 658 | 663 | 19,526 | 18,8 |
| September | 26,410 | 25,168 | 468 | 774 | 19,552 | 18,8 |
| October | 26,514 | 25,344 | 367 | 802 | 19,538 | 18,7 |
| November | 26,413 | 25,172 | 494 | 747 | 19,718 | 18,6 |
| December | 27,107 | 25,639 | 448 | 1,021 | 19,920 | 19,22 |
| 1954: January | 26,243 | 25,263 | 118 | 863 | 20,179 | 19,24 |
| February | 25,746 | 24,770 | 308 | 660 | 19,557 | 18,92 |
| March | 25,553 | 24,633 | 205 | 714 | 19,573 | 18,881 |
| April | 25,483 | 24,635 | 151 | 697 | 19,392 | 18,627 |
| May | 25,503 | 24,689 | 172 | 641 | 19,533 | 18,817 |
| June | 25,876 | 24,998 | 166 | 711 | 19,670 | 18,813 |
| July | 25,571 | 24,771 | 104 | 696 | 19,164 | 18,329 |
| August | 24,855 | 23,989 | 210 | 655 | 18,478 | 17,638 |
| September | 24,838 | 23,941 | 170 | 726 | 18,403 | 17,629 |
| October | 25,459 | 24,485 | 254 | 721 | 18,893 | 18,173 |
| November | 25,776 | 24,661 | 345 | 770 | 19,207 | 18,393 |
| December | 26,317 | 24,917 | 407 | 993 | 19,279 | [3] 18,568 |

[1] Estimates.
[2] Data on required and excess reserves from March 1933 through April 1934 for licensed banks
[3] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System.

## Table D-47.—*Bond yields and interest rates, 1929–54*

[Percent per annum]

| Period | U. S. Government securities: 3-month Treasury bills[1] | 9–12 month issues[2] | Long-term taxable bonds[3]: Old series[4] | Long-term taxable bonds[3]: New series[5] | Corporate bonds (Moody's): Aaa | Corporate bonds (Moody's): Baa | High-grade municipal bonds (Standard & Poor's) | Average rate on short-term bank loans to business—selected cities | Prime commercial paper, 4–6 months | Federal Reserve Bank discount rate |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of issues | -------- | -------- | 3–7 | 1 | 30 | 30 | 15 | -------- | -------- | -------- |
| Average: | | | | | | | | | | |
| 1929 | (6) | (7) | (3) | (5) | 4.73 | 5.90 | 4.27 | (6) | 5.85 | 5.16 |
| 1930 | (6) | (7) | (3) | (5) | 4.55 | 5.90 | 4.07 | (6) | 3.59 | 3.04 |
| 1931 | 1.402 | (7) | (3) | (5) | 4.58 | 7.62 | 4.01 | (6) | 2.64 | 2.11 |
| 1932 | .879 | (7) | (3) | (5) | 5.01 | 9.30 | 4.65 | (6) | 2.73 | 2.82 |
| 1933 | .515 | (7) | (3) | (5) | 4.49 | 7.76 | 4.71 | (6) | 1.73 | 2.56 |
| 1934 | .256 | (7) | (3) | (5) | 4.00 | 6.32 | 4.03 | (6) | 1.02 | 1.54 |
| 1935 | .137 | (7) | (3) | (5) | 3.60 | 5.75 | 3.41 | (6) | .76 | 1.50 |
| 1936 | .143 | (7) | (3) | (5) | 3.24 | 4.77 | 3.07 | (6) | .75 | 1.50 |
| 1937 | .447 | (7) | (3) | (5) | 3.26 | 5.03 | 3.10 | (6) | .94 | 1.33 |
| 1938 | .053 | (7) | (3) | (5) | 3.19 | 5.80 | 2.91 | (6) | .81 | 1.00 |
| 1939 | .023 | (7) | (3) | (5) | 3.01 | 4.96 | 2.76 | 2.1 | .59 | 1.00 |
| 1940 | .014 | (7) | (3) | (5) | 2.84 | 4.75 | 2.50 | 2.1 | .56 | 1.00 |
| 1941 | .103 | (7) | (3) | (5) | 2.77 | 4.33 | 2.10 | 2.0 | .54 | 1.00 |
| 1942 | .326 | (7) | 2.46 | (5) | 2.83 | 4.28 | 2.36 | 2.2 | .66 | [8] 1.00 |
| 1943 | .373 | .75 | 2.47 | (5) | 2.73 | 3.91 | 2.06 | 2.6 | .69 | [8] 1.00 |
| 1944 | .375 | .79 | 2.48 | (5) | 2.72 | 3.61 | 1.86 | 2.4 | .73 | [8] 1.00 |
| 1945 | .375 | .81 | 2.37 | (5) | 2.62 | 3.29 | 1.67 | 2.2 | .75 | [8] 1.00 |
| 1946 | .375 | .82 | 2.19 | (5) | 2.53 | 3.05 | 1.64 | 2.1 | .81 | [8] 1.00 |
| 1947 | .594 | .88 | 2.25 | (5) | 2.61 | 3.24 | 2.01 | 2.1 | 1.03 | 1.00 |
| 1948 | 1.040 | 1.14 | 2.44 | (5) | 2.82 | 3.47 | 2.40 | 2.5 | 1.44 | 1.34 |
| 1949 | 1.102 | 1.14 | 2.31 | (5) | 2.66 | 3.42 | 2.21 | 2.7 | 1.49 | 1.50 |
| 1950 | 1.218 | 1.26 | 2.32 | (5) | 2.62 | 3.24 | 1.98 | 2.7 | 1.45 | 1.59 |
| 1951 | 1.552 | 1.73 | 2.57 | (5) | 2.86 | 3.41 | 2.00 | 3.1 | 2.16 | 1.75 |
| 1952 | 1.766 | 1.81 | 2.68 | (5) | 2.96 | 3.52 | 2.19 | 3.5 | 2.33 | 1.75 |
| 1953 | 1.931 | 2.07 | 2.93 | 3.16 | 3.20 | 3.74 | 2.72 | 3.7 | 2.52 | 1.99 |
| 1954 | .953 | .92 | 2.53 | 2.70 | 2.90 | 3.51 | 2.37 | 3.6 | 1.58 | 1.60 |
| 1953 January | 2.042 | 1.97 | 2.80 | (5) | 3.02 | 3.51 | 2.47 | -------- | 2.31 | 1.88 |
| February | 2.018 | 1.97 | 2.83 | (5) | 3.07 | 3.53 | 2.54 | -------- | 2.31 | 2.00 |
| March | 2.082 | 2.04 | 2.89 | (5) | 3.12 | 3.57 | 2.61 | 3.54 | 2.36 | 2.00 |
| April | 2.177 | 2.27 | 2.97 | (5) | 3.23 | 3.65 | 2.63 | -------- | 2.44 | 2.00 |
| May | 2.200 | 2.41 | 3.09 | 3.26 | 3.34 | 3.78 | 2.73 | -------- | 2.67 | 2.00 |
| June | 2.231 | 2.46 | 3.09 | 3.29 | 3.40 | 3.86 | 2.90 | 3.73 | 2.75 | 2.00 |
| July | 2.101 | 2.36 | 2.99 | 3.25 | 3.28 | 3.86 | 2.99 | -------- | 2.75 | 2.00 |
| August | 2.088 | 2.33 | 3.00 | 3.22 | 3.24 | 3.85 | 2.88 | -------- | 2.75 | 2.00 |
| September | 1.876 | 2.17 | 2.97 | 3.19 | 3.29 | 3.88 | 2.88 | 3.74 | 2.74 | 2.00 |
| October | 1.402 | 1.72 | 2.83 | 3.06 | 3.16 | 3.82 | 2.72 | -------- | 2.55 | 2.00 |
| November | 1.427 | 1.53 | 2.85 | 3.04 | 3.11 | 3.75 | 2.62 | -------- | 2.31 | 2.00 |
| December | 1.630 | 1.61 | 2.79 | 2.96 | 3.13 | 3.74 | 2.59 | 3.76 | 2.25 | 2.00 |
| 1954 January | 1.214 | 1.33 | 2.68 | 2.90 | 3.06 | 3.71 | 2.50 | -------- | 2.11 | 2.00 |
| February | .984 | 1.01 | 2.60 | 2.85 | 2.95 | 3.61 | 2.39 | -------- | 2.00 | 1.79 |
| March | 1.053 | 1.02 | 2.51 | 2.73 | 2.86 | 3.51 | 2.38 | 3.72 | 2.00 | 1.75 |
| April | 1.011 | .90 | 2.47 | 2.70 | 2.85 | 3.47 | 2.47 | -------- | 1.78 | 1.63 |
| May | .782 | .76 | 2.62 | 2.72 | 2.88 | 3.47 | 2.49 | -------- | 1.58 | 1.50 |
| June | .650 | .76 | 2.54 | 2.70 | 2.90 | 3.49 | 2.48 | 3.60 | 1.56 | 1.50 |
| | | | | | | | [illegible] | -------- | 1.45 | 1.50 |
| | | | | | | | [illegible] | -------- | 1.33 | 1.50 |
| | | | | | | | [illegible] | 3.56 | 1.31 | 1.50 |
| | | | | | | | [illegible] | -------- | 1.31 | 1.50 |
| | | | | | | | [illegible] | -------- | 1.31 | 1.50 |
| | | | | | | | [illegible] | 3.55 | 1.31 | 1.50 |

[illegible] 1, 1911, and fully taxable [illegible] than 3 months.

[illegible] ning in April 1952, bonds [illegible]

[illegible] in 1930.

[illegible] was in effect for advances [illegible]

Note —Yields and rates computed for New [illegible] short-term bank loans.

Source Board of Governors of the Federal Reserve System (compiled from data supplied by [illegible] Government and private organizations).

TABLE D-48.—*Government cash receipts from and payments to the public, calendar years, 1946–54*

[Billions of dollars]

| Calendar year | Total | | | Federal | | | State and local [1] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Cash receipts | Cash payments | Excess of receipts (+) or payments (−) | Cash receipts | Cash payments | Excess of receipts (+) or payments (−) | Cash receipts [2] | Cash payments [2] | Excess of receipts (+) or payments (−) |
| 1946 | 53.0 | 50.9 | 2.1 | 41.4 | 41.4 | (3) | 11.6 | 9.5 | 2.0 |
| 1947 | 57.5 | 50.8 | 6.6 | 44.3 | 38.6 | 5.7 | 13.2 | 12.2 | 1.0 |
| 1948 | 60.0 | 52.1 | 7.9 | 44.9 | 36.9 | 8.0 | 15.1 | 15.2 | −.1 |
| 1949 | 57.9 | 60.0 | −2.1 | 41.3 | 42.6 | −1.3 | 16.6 | 17.4 | −.8 |
| 1950 | 60.6 | 61.3 | −.7 | 42.4 | 42.0 | .4 | 18.1 | 19.3 | −1.2 |
| 1951 | 79.2 | 78.4 | .8 | 59.3 | 58.0 | 1.2 | 19.9 | 20.3 | −.4 |
| 1952 | 93.0 | 94.6 | −1.6 | 71.3 | 73.0 | −1.6 | 21.7 | 21.6 | (3) |
| 1953 | 93.4 | 99.3 | −6.0 | 70.0 | 76.2 | −6.2 | 23.3 | 23.1 | .2 |
| 1954 [4] | 93.2 | 95.1 | −1.9 | 68.6 | 69.6 | −1.1 | 24.7 | 25.5 | −.8 |

[1] Estimated by Council of Economic Advisers on the basis of incomplete data.

[2] Federal grants-in-aid have been deducted from State and local government receipts and payments since they are included in Federal payments.

[3] Less than 50 million dollars.

[4] Preliminary.

NOTE.—Detail will not necessarily add to totals because of rounding.

Sources: Treasury Department and Bureau of the Budget (except as noted).

TABLE D–49.—*Profits before and after taxes, all private corporations, 1929–54*

[Billions of dollars]

| Period | Corporate profits before taxes | Corporate tax liability [1] | Corporate profits after taxes: Total | Corporate profits after taxes: Dividend payments | Corporate profits after taxes: Undistributed profits |
|---|---|---|---|---|---|
| 1929 | 9.6 | 1.4 | 8.3 | 5.8 | 2.4 |
| 1930 | 3.3 | .8 | 2.5 | 5.5 | −3.0 |
| 1931 | −.8 | .5 | −1.3 | 4.1 | −5.4 |
| 1932 | −3.0 | .4 | −3.4 | 2.6 | −6.0 |
| 1933 | .2 | .5 | −.4 | 2.1 | −2.4 |
| 1934 | 1.7 | .7 | 1.0 | 2.6 | −1.6 |
| 1935 | 3.1 | 1.0 | 2.2 | 2.9 | −.7 |
| 1936 | 5.7 | 1.4 | 4.3 | 4.5 | −.2 |
| 1937 | 6.2 | 1.5 | 4.7 | 4.7 | [2] |
| 1938 | 3.3 | 1.0 | 2.3 | 3.2 | −.9 |
| 1939 | 6.4 | 1.4 | 5.0 | 3.8 | 1.2 |
| 1940 | 9.3 | 2.8 | 6.5 | 4.0 | 2.4 |
| 1941 | 17.0 | 7.6 | 9.4 | 4.5 | 4.9 |
| 1942 | 20.9 | 11.4 | 9.5 | 4.3 | 5.2 |
| 1943 | 24.6 | 14.1 | 10.5 | 4.5 | 6.0 |
| 1944 | 23.3 | 12.9 | 10.4 | 4.7 | 5.7 |
| 1945 | 19.0 | 10.7 | 8.3 | 4.7 | 3.6 |
| 1946 | 22.6 | 9.1 | 13.4 | 5.8 | 7.7 |
| 1947 | 29.5 | 11.3 | 18.2 | 6.5 | 11.7 |
| 1948 | 32.8 | 12.5 | 20.3 | 7.2 | 13.0 |
| 1949 | 26.2 | 10.4 | 15.8 | 7.5 | 8.3 |
| 1950 | 40.0 | 17.8 | 22.1 | 9.2 | 12.9 |
| 1951 | 41.2 | 22.5 | 18.7 | 9.1 | 9.6 |
| 1952 | 37.2 | 20.0 | 17.2 | 9.1 | 8.1 |
| 1953 | 39.4 | 21.1 | 18.3 | 9.4 | 8.9 |
| 1954 [3] | 35.0 | 17.2 | 17.8 | 9.9 | 8.0 |
| | Seasonally adjusted annual rates | | | | |
| 1953: First half | 42.2 | 22.6 | 19.6 | 9.2 | 10.4 |
| Second half | 36.7 | 19.6 | 17.0 | 9.6 | 7.5 |
| 1954: First half | 34.5 | 17.0 | 17.5 | 9.6 | 7.9 |
| Second half [3] | 35.6 | 17.5 | 18.1 | 10.1 | 8.0 |
| 1953: First quarter | 42.4 | 22.7 | 19.7 | 9.1 | 10.6 |
| Second quarter | 41.9 | 22.5 | 19.5 | 9.3 | 10.2 |
| Third quarter | 40.9 | 21.9 | 19.0 | 9.5 | 9.5 |
| Fourth quarter | 32.5 | 17.4 | 15.1 | 9.6 | 5.5 |
| 1954: First quarter | 34.5 | 17.0 | 17.5 | 9.6 | 7.9 |
| Second quarter | 34.5 | 17.0 | 17.5 | 9.6 | 7.9 |
| Third quarter | 34.2 | 16.8 | 17.4 | 9.8 | 7.6 |
| Fourth quarter [3] | 37.0 | 18.2 | 18.8 | 10.4 | 8.4 |

[1] Federal and State corporate income and excess profits taxes.
[2] 48 million dollars.
[3] Preliminary; fourth quarter by Council of Economic Advisers.

NOTE.—No allowance has been made for inventory valuation adjustment. See appendix table D-8 for profits before taxes and inventory valuation adjustment.
Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-50.—*Relation of profits after taxes to stockholders' equity and to sales, private manufacturing corporations, by industry group, 1947–50 average and 1953–54*

| Industry group | 1947–50 average | 1953 | | | | | 1954 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Year | First quarter | Second quarter | Third quarter | Fourth quarter | First quarter | Second quarter | Third quarter |
| | Ratio of profits after Federal taxes (annual rate) to stockholders' equity | | | | | | | | |
| All private manufacturing corporations | 14.8 | 10.4 | 10.7 | 11.2 | 10.5 | 9.5 | 9.4 | 10.4 | 9.3 |
| Food | 13.6 | 8.1 | 7.0 | 8.2 | 10.2 | 7.1 | 6.4 | 8.6 | 9.2 |
| Tobacco manufactures | 12.1 | 9.2 | 7.7 | 9.5 | 10.5 | 9.6 | 9.0 | 10.0 | 11.4 |
| Textile-mill products | 14.5 | 4.6 | 6.0 | 5.3 | 5.0 | 2.1 | 2.1 | 1.0 | 1.9 |
| Apparel and finished textiles | 12.0 | 5.3 | 7.6 | 6.7 | 4.9 | 1.0 | 3.7 | 3.8 | 4.9 |
| Lumber and wood products | 17.1 | 7.2 | 7.0 | 9.8 | 7.6 | 3.9 | 2.3 | 6.7 | 6.9 |
| Furniture and fixtures | 14.3 | 8.4 | 11.2 | 10.4 | 7.1 | 4.4 | 3.2 | 6.2 | 6.4 |
| Paper and allied products | 16.2 | 9.9 | 10.6 | 10.2 | 10.2 | 9.2 | 9.7 | 10.3 | 9.5 |
| Printing and publishing (except newspapers) | 13.4 | 9.4 | 11.4 | 10.8 | 8.9 | 6.8 | 10.5 | 10.0 | 7.9 |
| Chemicals and allied products | 15.9 | 10.7 | 11.4 | 11.6 | 10.3 | 9.7 | 11.2 | 11.8 | 11.0 |
| Petroleum refining | [1]15.1 | 13.0 | 12.3 | 12.9 | 13.3 | 15.0 | 12.8 | 12.0 | 11.4 |
| Products of petroleum and coal (except petroleum refining) | (2) | 8.3 | 6.7 | 11.2 | 9.8 | 4.9 | 3.6 | 6.8 | 9.5 |
| Rubber products | 12.8 | 11.2 | 11.5 | 12.1 | 11.5 | 10.1 | 10.3 | 10.9 | 9.5 |
| Leather and leather products | 10.4 | 6.1 | 6.5 | 8.0 | 6.2 | 3.1 | 4.0 | 5.4 | 7.5 |
| Stone, clay, and glass products | 15.2 | 11.5 | 9.3 | 14.9 | 13.8 | 9.1 | 7.6 | 14.6 | 15.4 |
| Primary nonferrous metal industries | 12.5 | 10.9 | 12.4 | 11.9 | 9.9 | 10.2 | 9.2 | 11.0 | 9.5 |
| Primary iron and steel industries | 12.9 | 10.5 | 10.9 | 11.4 | 11.0 | 9.4 | 7.6 | 8.3 | 5.5 |
| Fabricated metal products | 15.3 | 9.9 | 9.4 | 11.0 | 10.9 | 8.1 | 6.6 | 9.0 | 5.6 |
| Machinery (except electrical) | 14.5 | 9.7 | 11.3 | 11.7 | 8.7 | 7.6 | 9.5 | 10.2 | 7.8 |
| Electrical machinery | 17.8 | 12.9 | 15.1 | 12.8 | 12.1 | 12.4 | 12.9 | 11.8 | 10.5 |
| *Transportation equipment* (except motor vehicles) | 6.6 | 13.3 | 12.8 | 15.4 | 12.2 | 14.1 | 15.5 | 18.4 | 15.6 |
| Motor vehicles and parts | 21.7 | 13.7 | 15.2 | 15.0 | 12.8 | 12.6 | 15.3 | 17.4 | 9.7 |
| Instruments, photographic and optical goods, watches and clocks | 14.6 | 11.0 | 11.7 | 11.7 | 10.7 | 11.6 | 10.7 | 11.4 | 12.9 |
| Miscellaneous manufacturing (including ordnance) | 11.4 | 8.3 | 8.3 | 9.0 | 9.1 | 6.3 | 5.0 | 6.5 | 9.1 |

See footnotes at end of table.

TABLE D–50.—*Relation of profits after taxes to stockholders' equity and to sales, private manufacturing corporations, by industry group, 1947–50 average and 1953–54*—Continued

| Industry group | 1947–50 average | 1953 | | | | | 1954 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Year | First quarter | Second quarter | Third quarter | Fourth quarter | First quarter | Second quarter | Third quarter |
| | Profits after Federal taxes in cents per dollar of sales | | | | | | | | |
| All private manufacturing corporations | 6.7 | 4.3 | 4.3 | 4.4 | 4.3 | 4.0 | 4.3 | 4.7 | 4.4 |
| Food | 3.6 | 2.0 | 1.8 | 2.1 | 2.5 | 1.8 | 1.7 | 2.2 | 2.3 |
| Tobacco manufactures | 4.8 | 3.7 | 3.2 | 3.7 | 3.9 | 3.7 | 4.0 | 4.1 | 4.5 |
| Textile-mill products | 6.6 | 2.2 | 2.7 | 2.5 | 2.5 | 1.1 | 1.1 | 0.6 | 1.0 |
| Apparel and finished textiles | 3.1 | 1.2 | 1.7 | 1.6 | 1.1 | 0.2 | 0.9 | 0.9 | 1.1 |
| Lumber and wood products | 9.2 | 3.5 | 3.5 | 4.6 | 3.7 | 2.1 | 1.4 | 3.5 | 3.7 |
| Furniture and fixtures | 5.0 | 2.6 | 3.3 | 3.2 | 2.4 | 1.4 | 1.2 | 1.9 | 2.3 |
| Paper and allied products | 8.6 | 5.4 | 5.7 | 5.4 | 5.4 | 4.9 | 5.6 | 5.9 | 5.4 |
| Printing and publishing (except newspapers) | 5.0 | 3.4 | 4.2 | 3.9 | 3.3 | 2.3 | 3.9 | 3.8 | 3.0 |
| Chemicals and allied products | 9.1 | 6.1 | 6.3 | 6.3 | 6.0 | 5.7 | 6.6 | 6.8 | 6.7 |
| Petroleum refining | [1] 11.0 | 10.4 | 9.6 | 10.2 | 10.3 | 11.6 | 10.3 | 10.2 | 10.0 |
| Products of petroleum and coal (except petroleum refining) | ([2]) | 3.8 | 3.3 | 4.6 | 4.3 | 2.5 | 2.4 | 3.4 | 4.5 |
| Rubber products | 4.8 | 3.8 | 3.8 | 3.9 | 3.9 | 3.6 | 4.0 | 4.1 | 3.7 |
| Leather and leather products | 3.4 | 1.8 | 2.0 | 2.5 | 1.9 | 1.0 | 1.4 | 1.9 | 2.4 |
| Stone, clay, and glass products | 8.9 | 6.5 | 5.4 | 8.0 | 7.3 | 5.2 | 5.1 | 8.5 | 8.7 |
| Primary nonferrous metal industries | 8.8 | 6.3 | 7.1 | 6.1 | 5.8 | 6.3 | 6.1 | 6.8 | 6.2 |
| Primary iron and steel industries | 7.2 | 5.3 | 5.2 | 5.2 | 5.4 | 5.3 | 4.7 | 5.2 | 4.6 |
| Fabricated metal products | 6.6 | 3.6 | 3.6 | 4.0 | 3.8 | 3.0 | 2.8 | 3.7 | 3.4 |
| Machinery (except electrical) | 7.1 | 4.2 | 4.8 | 4.6 | 3.9 | 3.5 | 4.6 | 4.9 | 4.2 |
| Electrical machinery | 6.3 | 4.1 | 4.6 | 4.0 | 4.0 | 3.9 | 4.6 | 4.3 | 4.0 |
| Transportation equipment (except motor vehicles) | 3.4 | 2.6 | 2.6 | 2.8 | 2.4 | 2.7 | 3.4 | 3.9 | 3.7 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6.9 | 4.1 |

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE D-51.—*Relation of profits before and after taxes to stockholders' equity and to sales, private manufacturing corporations, by asset size class, 1947–50 average and 1953–54*

| Asset size class (thousands of dollars) | 1947–50 average | 1953 | | | | | 1954 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Year | First quarter | Second quarter | Third quarter | Fourth quarter | First quarter | Second quarter | Third quarter |
| | Ratio of profits before Federal taxes (annual rate) to stockholders' equity | | | | | | | | |
| All asset sizes | 24.6 | 22.3 | 24.9 | 26.4 | 23.3 | 15.8 | 18.5 | 19.8 | 17.5 |
| Under 250 | 16.7 | 13.3 | 13.2 | 21.7 | 17.5 | −2.8 | 3.3 | 12.8 | 13.7 |
| 250–999 | 22.7 | 16.1 | 18.1 | 21.1 | 17.3 | 6.0 | 11.1 | 15.3 | 15.5 |
| 1,000–4,999 | 24.2 | 17.3 | 20.7 | 20.7 | 17.7 | 10.3 | 12.8 | 13.7 | 13.0 |
| 5,000–99,999 | 25.2 | 22.1 | 25.1 | 25.7 | 22.4 | 15.9 | 17.2 | 18.4 | 16.8 |
| 100,000 and over | 24.9 | 24.5 | 27.0 | 28.8 | 25.8 | 18.7 | 21.7 | 22.4 | 19.1 |
| | Profits before Federal taxes in cents per dollar of sales | | | | | | | | |
| All asset sizes | 11.1 | 9.2 | 10.0 | 10.4 | 9.6 | 6.7 | 8.4 | 8.9 | 8.2 |
| Under 250 | 4.4 | 2.8 | 3.0 | 4.7 | 3.7 | −0.6 | 0.9 | 2.9 | 3.0 |
| 250–999 | 7.4 | 4.3 | 4.9 | 5.7 | 4.9 | 1.7 | 3.4 | 4.6 | 4.6 |
| 1,000–4,999 | 9.0 | 5.9 | 7.0 | 6.8 | 6.1 | 3.6 | 4.7 | 5.0 | 4.8 |
| 5,000–99,999 | 11.3 | 9.1 | 10.1 | 10.2 | 9.3 | 6.8 | 7.9 | 8.3 | 7.9 |
| 100,000 and over | 13.2 | 11.7 | 12.6 | 12.9 | 12.2 | 9.1 | 11.3 | 11.7 | 10.7 |
| | Ratio of profits after Federal taxes (annual rate) to stockholders' equity | | | | | | | | |
| *All asset sizes* | 14.8 | 10.4 | 10.7 | 11.2 | 10.5 | 9.5 | 9.4 | 10.4 | 9.2 |
| Under 250 | 9.8 | 7.3 | 7.0 | 13.2 | 11.0 | −4.2 | 0.1 | 8.1 | 8.0 |
| 250–999 | 13.1 | 7.3 | 7.9 | 10.3 | 8.1 | 2.2 | 4.6 | 8.1 | 8.1 |
| 1,000–4,999 | 14.1 | 7.5 | 8.9 | 8.8 | 7.4 | 5.0 | 5.3 | 6.1 | 5.6 |
| 5,000–99,999 | 14.9 | 9.5 | 10.3 | 10.6 | 9.5 | 8.1 | 8.1 | 8.8 | 6.1 |
| 100,000 and over | 15.3 | 11.8 | 11.8 | 12.1 | 11.9 | 12.5 | 11.7 | 12.3 | 10.8 |
| | Profits after Federal taxes in cents per dollar of sales | | | | | | | | |
| All asset sizes | 6.7 | 4.3 | 4.3 | 4.4 | 4.3 | 4.0 | 4.3 | 4.7 | 4.4 |
| Under 250 | 2.6 | 1.5 | 1.6 | 2.9 | 2.3 | −0.9 | 0.0 | 1.8 | 1.8 |
| 250–999 | 4.3 | 2.0 | 2.2 | 2.8 | 2.3 | 0.6 | 1.4 | 2.4 | 2.4 |
| 1,000–4,999 | 5.2 | 2.5 | 3.0 | 2.0 | 2.5 | 1.7 | 1.9 | 2.2 | 2.1 |
| 5,000–99,999 | 6.7 | 3.9 | 4.1 | 4.2 | 4.0 | 3.5 | 3.7 | 4.0 | 3.8 |
| 100,000 and over | 8.1 | 5.7 | 5.5 | 5.4 | 5.6 | 6.1 | 6.1 | 6.4 | 6.1 |

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE D-52.—*Sources and uses of corporate funds, 1946–54* [1]

[Billions of dollars]

| Source or use of funds | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 [2] |
|---|---|---|---|---|---|---|---|---|---|
| Uses: | | | | | | | | | |
| Plant and equipment outlays | 12.5 | 17.0 | 18.8 | 16.3 | 16.9 | 21.6 | 22.4 | 24.1 | 22.6 |
| Inventories (change in book value) | 11.2 | 7.1 | 4.2 | −3.6 | 9.8 | 9.4 | 1.8 | 2.6 | −3.5 |
| Change in customer net receivables [3] | 1.1 | 3.1 | 2.8 | .9 | 5.0 | 2.0 | 2.4 | .7 | 2.6 |
| Cash and U. S. Government securities | −4.7 | 1.0 | 1.0 | 3.2 | 4.5 | 2.8 | .3 | 1.2 | −1.5 |
| Other assets | −.5 | (4) | .2 | (4) | .3 | .6 | .8 | .4 | .5 |
| Total uses | 19.5 | 28.2 | 27.0 | 16.8 | 36.5 | 36.4 | 27.7 | 29.0 | 20.5 |
| Sources: | | | | | | | | | |
| Internal: | | | | | | | | | |
| Retained profits and depletion allowances | 7.2 | 11.4 | 12.4 | 7.6 | 12.4 | 9.1 | 7.5 | 8.3 | 7.0 |
| Depreciation and amortization allowances | 4.2 | 5.2 | 6.2 | 7.1 | 7.8 | 9.0 | 10.1 | 11.2 | 12.5 |
| Total internal sources | 11.4 | 16.6 | 18.6 | 14.7 | 20.2 | 18.1 | 17.6 | 19.5 | 19.5 |
| External: | | | | | | | | | |
| Change in Federal income tax liability | −1.6 | 2.1 | 1.0 | −2.2 | 7.2 | 4.4 | −2.6 | .9 | −4.0 |
| Other liabilities | 2.1 | 1.5 | .4 | .5 | 1.0 | 1.9 | 2.0 | .8 | (4) |
| Change in bank loans and mortgage loans | 3.9 | 3.3 | 1.8 | −2.3 | 2.6 | 5.4 | 3.1 | .4 | −1.0 |
| Net new issues | 2.4 | 4.4 | 5.9 | 4.9 | 3.7 | 6.3 | 7.9 | 7.3 | 6.5 |
| Total external sources | 6.8 | 11.3 | 9.1 | .9 | 14.5 | 18.0 | 10.4 | 9.4 | 1.5 |
| Total sources | 18.2 | 27.9 | 27.7 | 15.6 | 34.7 | 36.1 | 28.0 | 28.9 | 21.0 |
| Discrepancy (uses less sources) | 1.3 | .3 | −.7 | 1.2 | 1.8 | .3 | −.3 | .1 | −.5 |

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce based on Securities and Exchange Commission and other financia data (except as noted).

TABLE D-53.—*Current assets and liabilities of all corporations, 1950–54* [1]

[Billions of dollars, end of period]

| Asset or liability | 1950 | 1951 | 1952 | 1953 March | 1953 June | 1953 September | 1953 December | 1954 March | 1954 June | 1954 September |
|---|---|---|---|---|---|---|---|---|---|---|
| Current assets | | | | | | | | | | |
| Cash on hand and in banks | 28.1 | 30.0 | 30.6 | 28.0 | 29.6 | 30.0 | 30.7 | 27.8 | 28.9 | 30.1 |
| U. S. Government securities | 19.7 | 20.7 | 20.4 | 20.2 | 18.9 | 20.6 | 21.5 | 19.7 | 16.8 | 18.6 |
| Receivables from U. S. Government [2] | 1.1 | 2.7 | 2.8 | 2.9 | 2.7 | 2.7 | 2.6 | 2.8 | 2.4 | 2.3 |
| Other notes and accounts receivable | 55.7 | 58.8 | 64.7 | 65.1 | 65.5 | 66.9 | 65.0 | 63.2 | 63.4 | 65.2 |
| Inventories | 55.1 | 64.9 | 65.4 | 66.9 | 67.2 | 68.3 | 67.5 | 67.3 | 65.5 | 65.1 |
| Other current assets [3] | 1.7 | 2.1 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.5 | 2.6 | 2.7 |
| Total current assets | 161.5 | 179.1 | 186.2 | 185.6 | 186.2 | 191.0 | 189.7 | 183.3 | 179.6 | 183.9 |
| Current liabilities | | | | | | | | | | |
| Advances and prepayments, U. S. Government [2] | .4 | 1.3 | 2.3 | 2.6 | 2.5 | 2.5 | 2.2 | 2.5 | 2.4 | 2.6 |
| Other notes and accounts payable | 47.9 | 53.6 | 57.9 | 56.8 | 56.3 | 57.5 | 57.3 | 53.9 | 52.5 | 53.0 |
| Federal income tax liabilities | 16.7 | 21.3 | 17.7 | 16.3 | 15.6 | 17.9 | 18.7 | 14.9 | 11.7 | 13.6 |
| Other current liabilities | 14.9 | 16.5 | 18.3 | 18.5 | 19.0 | 19.6 | 18.9 | 19.1 | 18.8 | 19.4 |
| Total current liabilities | 79.8 | 92.6 | 96.1 | 94.2 | 93.4 | 97.5 | 97.1 | 90.4 | 85.4 | 88.6 |
| Net working capital | 81.6 | 86.5 | 90.1 | 91.3 | 92.8 | 93.5 | 92.6 | 92.9 | 94.2 | 95.3 |

[3] Includes marketable securities other than U. S. Government.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Securities and Exchange Commission.

TABLE D-54.—*Business population and business failures, 1929–54*

| Period | Operating businesses and business turnover: Operating businesses | New businesses | Discontinued businesses | Business transfers | New business incorporations | Business failures, by size of liabilities: Number of failures: Total | Under $100,000 | $100,000 and over | Amount of current liabilities: Total | Under $100,000 | $100,000 and over |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thousands of firms | | | | Number of firms | | | | Thousands of dollars | | |
| 1929 | 3,029.0 | (5) | (5) | (5) | (5) | 22,909 | 22,165 | 744 | 483,252 | 261,458 | 221,794 |
| 1930 | 2,993.7 | (5) | (5) | (5) | (5) | 26,355 | 25,408 | 947 | 668,282 | 303,464 | 364,818 |
| 1931 | 2,916.4 | (5) | (5) | (5) | (5) | 28,285 | 27,230 | 1,055 | 736,310 | 354,159 | 382,151 |
| 1932 | 2,828.1 | (5) | (5) | (5) | (5) | 31,822 | 30,197 | 1,625 | 928,313 | 432,625 | 495,688 |
| 1933 | 2,782.1 | (5) | (5) | (5) | (5) | [6]19,859 | [6]18,880 | [6]979 | [6]457,520 | [6]215,510 | [6]242,010 |
| 1934 | 2,884.0 | (5) | (5) | (5) | (5) | 12,091 | 11,421 | 670 | 333,959 | 138,509 | 195,450 |
| 1935 | 2,991.9 | (5) | (5) | (5) | (5) | 12,244 | 11,691 | 553 | 310,580 | 135,489 | 175,091 |
| 1936 | 3,069.8 | (5) | (5) | (5) | (5) | 9,607 | 9,285 | 322 | 203,173 | 102,803 | 100,370 |
| 1937 | 3,136.3 | (5) | (5) | (5) | (5) | 9,490 | 9,203 | 287 | 183,253 | 101,856 | 81,397 |
| 1938 | 3,073.7 | (5) | (5) | (5) | (5) | 12,836 | 12,553 | 283 | 246,505 | 140,120 | 106,385 |
| 1939 | 3,222.2 | (5) | (5) | (5) | (5) | [7]14,768 | [7]14,541 | [7]227 | [7]182,520 | [7]132,863 | [7]49,657 |
| 1940 | 3,290.8 | 275.2 | 218.3 | (5) | (5) | 13,619 | 13,400 | 219 | 166,684 | 119,904 | 46,780 |
| 1941 | 3,269.6 | 200.0 | 270.7 | (5) | (5) | 11,848 | 11,685 | 163 | 136,104 | 100,660 | 35,444 |
| 1942 | 3,185.8 | 121.2 | 386.5 | (5) | (5) | 9,405 | 9,282 | 123 | 100,763 | 80,286 | 20,477 |
| 1943 | 2,905.1 | 146.0 | 337.0 | (5) | (5) | 3,221 | 3,155 | 66 | 45,339 | 31,184 | 14,155 |
| 1944 | 2,916.5 | 330.9 | 174.6 | 359.4 | (5) | 1,222 | 1,176 | 46 | 31,660 | 14,548 | 17,112 |
| 1945 | 3,113.9 | 422.7 | 175.6 | 473.2 | (5) | 809 | 759 | 50 | 30,225 | 11,385 | 18,840 |
| 1946 | 3,487.2 | 617.4 | 208.7 | 626.9 | 132,916 | 1,129 | 1,002 | 127 | 67,349 | 15,717 | 51,632 |
| 1947 | 3,783.2 | 460.8 | 239.2 | 571.9 | 112,638 | 3,474 | 3,103 | 371 | 204,612 | 63,668 | 140,944 |
| 1948 | 3,948.3 | 393.3 | 282.0 | 501.3 | 96,101 | 5,250 | 4,853 | 397 | 234,620 | 93,899 | 140,721 |
| 1949 | 4,000.0 | 331.1 | 306.5 | 434.7 | 85,491 | 9,246 | 8,708 | 538 | 308,109 | 161,386 | 146,723 |
| 1950 | 4,050.7 | 348.2 | 289.6 | 419.4 | 92,925 | 9,162 | 8,746 | 416 | 248,283 | 151,189 | 97,094 |
| 1951 | 4,108.5 | 363.2 | 309.3 | 378.3 | 83,649 | 8,058 | 7,626 | 432 | 259,547 | 131,593 | 127,954 |
| 1952 | 4,167.4 | 363.9 | 306.4 | 374.9 | 92,819 | 7,611 | 7,081 | 530 | 283,314 | 131,871 | 151,443 |
| 1953 | 4,193.9 | 340.5 | 334.0 | 357.2 | 102,545 | 8,862 | 8,075 | 787 | 394,153 | 167,530 | 226,623 |
| 1954 [8] | (5) | (5) | (5) | (5) | 116,800 | 11,086 | 10,226 | 860 | 462,625 | 211,392 | 251,238 |
| 1953: January | | | | | 9,468 | 647 | 604 | 43 | 23,309 | 11,679 | 11,630 |
| February | | | | | 7,943 | 691 | 632 | 59 | 27,273 | 12,152 | 15,121 |
| March | | 199.3 | 172.4 | 206.0 | 9,650 | 739 | 674 | 65 | 31,082 | 13,365 | 17,717 |
| April | | | | | 9,507 | 693 | 628 | 65 | 27,520 | 12,575 | 14,945 |
| May | | | | | 8,968 | 697 | 636 | 61 | 32,789 | 13,193 | 19,596 |
| June | 4,205.7 | | | | 8,926 | 817 | 767 | 50 | 32,379 | 16,185 | 16,194 |
| July | | | | | 8,703 | 724 | 651 | 73 | 39,830 | 13,931 | 25,899 |
| August | | | | | 7,487 | 700 | 639 | 61 | 28,529 | 13,087 | 15,442 |
| September | | 141.2 | 161.6 | 151.2 | 7,433 | 686 | 610 | 76 | 33,817 | 13,790 | 20,027 |
| October | | | | | 8,267 | 840 | 766 | 74 | 37,076 | 15,904 | 21,172 |
| November | | | | | 7,269 | 815 | 745 | 70 | 36,795 | 15,609 | 21,186 |
| December | 4,183.3 | | | | 8,915 | 813 | 723 | 90 | 43,754 | 16,060 | 27,694 |
| 1954: January | | | | | 9,543 | 867 | 810 | 57 | 29,592 | 17,392 | 12,200 |
| February | | | | | 8,533 | 926 | 848 | 78 | 47,774 | 18,411 | 29,363 |
| March | | 189.0 | [8]175 | 124.8 | 10,514 | 1,102 | 998 | 104 | 57,280 | 21,623 | 35,657 |
| April | | | | | 10,272 | 975 | 904 | 71 | 42,512 | 17,657 | 24,855 |
| May | | | | | 9,280 | 943 | 874 | 69 | 38,494 | 17,748 | 20,746 |
| June | [8]4,200 | | | | 9,748 | 965 | 884 | 81 | 41,613 | 18,800 | 22,813 |
| July | | | | | 9,409 | 856 | 788 | 68 | 32,230 | 16,030 | 16,200 |
| August | | | | | 9,041 | 912 | 842 | 70 | 32,582 | 16,818 | 15,764 |
| September | | (5) | (5) | (5) | 9,256 | 819 | 752 | 67 | 36,381 | 15,930 | 20,451 |
| October | | | | | 9,852 | 871 | 817 | 54 | 29,000 | 16,378 | 12,622 |
| November | | | | | 9,735 | 933 | 870 | 63 | 35,067 | 17,335 | 17,732 |
| December [8] | (5) | | | | 11,600 | 917 | 839 | 78 | 40,103 | 17,270 | 22,833 |

[8] Preliminary.

Sources: Department of Commerce and Dun & Bradstreet, Inc.

TABLE D-55.—*United States balance of payments, excluding U. S. Government grants of military goods and services, 1947–54*

[Billions of dollars]

| Area and type of transaction | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 [1] |
|---|---|---|---|---|---|---|---|---|
| WITH THE WORLD [1] | | | | | | | | |
| *Exports of goods and services, excluding military transfers:* | | | | | | | | |
| Merchandise exports | 16.0 | 13.2 | 12.1 | 10.1 | 14.1 | 13.3 | 12.4 | 12.7 |
| Transportation | 1.7 | 1.3 | 1.2 | 1.0 | 1.6 | 1.5 | 1.2 | (2) |
| Travel | .3 | .3 | .4 | .4 | .4 | .5 | .5 | (2) |
| Income on investments | 1.1 | 1.3 | 1.4 | 1.6 | 1.9 | 1.8 | 1.9 | (2) |
| Other | .6 | .6 | .7 | .7 | .8 | .9 | .9 | (2) |
| Total exports, excluding military transfers | 19.7 | 16.8 | 15.8 | 13.9 | 18.8 | 18.1 | 17.0 | 17.4 |
| *Military transfers under aid programs (excluded from balances)* | (4) | .3 | .2 | .5 | 1.5 | 2.6 | 4.3 | (3) |
| *Imports of goods and services:* | | | | | | | | |
| Military expenditures abroad | .5 | .8 | .6 | .6 | 1.3 | 2.0 | 2.5 | (2) |
| Merchandise imports | 6.0 | 7.6 | 6.9 | 9.1 | 11.2 | 10.8 | 11.0 | 10.3 |
| Transportation | .6 | .6 | .7 | .8 | 1.0 | 1.1 | 1.1 | (2) |
| Travel | .5 | .6 | .7 | .7 | .7 | .8 | .9 | (2) |
| Income on investments | .2 | .3 | .3 | .3 | .4 | .4 | .4 | (2) |
| Other | .4 | .4 | .5 | .5 | .5 | .6 | .6 | (2) |
| Total imports | 8.2 | 10.3 | 9.7 | 12.1 | 15.1 | 15.7 | 16.4 | 15.9 |
| Unilateral transfers other than U. S. Government grants [net outflow (−)] | −.7 | −.6 | −.6 | −.5 | −.5 | −.6 | −.6 | −.6 |
| Balance on goods and services and *unilateral transfers other than U. S. Government grants [net outflow (−)]* | +10.8 | +5.9 | +5.5 | +1.3 | +3.3 | +1.6 | 0 | +.9 |
| *U. S. private capital [net outflow (−)]* | −1.0 | −.9 | −.6 | −1.3 | −1.1 | −1.2 | −.4 | −1.3 |
| Errors and omissions | +.9 | +1.1 | +.8 | (4) | +.5 | +.6 | +.2 | +.1 |
| Balance *on* goods and services, unilateral transfers excluding grants, U. S. private capital, and *errors and omissions [net outflow (−)]* | +10.7 | +6.1 | +5.7 | (4) | +2.7 | +1.1 | −.2 | −.3 |
| U. S. Government capital and grants, *excluding military transfers* | [5] −8.9 | −4.9 | −5.6 | −3.6 | −3.2 | −2.4 | −2.0 | −1.5 |
| Increase (+) or decrease (−) in *foreign* gold and dollar assets through transactions with the U. S. | −1.9 | −1.2 | −.1 | +3.6 | +.5 | +1.2 | +2.2 | +1.8 |
| *WITH CONTINENTAL WESTERN EUROPE AND DEPENDENCIES [6]* | | | | | | | | |
| *Exports of goods and services, excluding military transfers* | 5.8 | 5.1 | 4.6 | 3.3 | 4.3 | 4.0 | 3.4 | (3) |
| Imports of goods and services [7] | 1.6 | 2.0 | 2.0 | 2.2 | 2.9 | 3.6 | 4.2 | (3) |
| *Balance on* goods and services and unilateral transfers excluding grants [net outflow (−)] | +4.2 | +3.1 | +2.6 | +1.1 | +1.3 | +.4 | −.7 | (3) |
| U. S. *private capital [net outflow (−)]* | −.1 | −.1 | +.1 | −.2 | (4) | −.1 | +.1 | (3) |
| Multilateral transfers [8] | −.5 | +.2 | +.6 | +.2 | +.5 | (4) | −.3 | (3) |
| Balance on goods and services, unilateral transfers excluding grants, U. S. private capital, and *multilateral transfers* [net outflow (−)] | +3.6 | +3.2 | +3.2 | +1.1 | +1.8 | +.3 | −.9 | (3) |
| U. S. Government capital and grants, excluding military transfers | −1.7 | −3.0 | −3.4 | −2.2 | −2.0 | −1.1 | −.7 | (3) |
| Increase (+) or decrease (−) in foreign gold and dollar assets [9] | −1.9 | −.2 | +.2 | +1.1 | +.2 | +.8 | +1.6 | (3) |

See footnotes at end of table.

TABLE D-55.—*United States balance of payments, excluding U. S. Government grants of military goods and services, 1947–54*—Continued

[Billions of dollars]

| Area and type of transaction | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 [1] |
|---|---|---|---|---|---|---|---|---|
| WITH STERLING AREA [6] | | | | | | | | |
| Exports of goods and services, excluding military transfers | 3.7 | 2.7 | 2.6 | 2.0 | 3.3 | 3.0 | 2.5 | (3) |
| Imports of goods and services [7] | 1.8 | 2.0 | 1.8 | 2.3 | 3.0 | 2.8 | 2.8 | (3) |
| Balance on goods and services and unilateral transfers excluding grants [net outflow (−)] | +1.9 | +.7 | +.7 | −.3 | +.3 | +.2 | −.2 | (3) |
| U. S. private capital [net outflow (−)] | −.1 | −.1 | −.1 | −.3 | −.1 | −.1 | (4) | (3) |
| Multilateral transfers [8] | +1.6 | +1.4 | +1.0 | +.3 | +.4 | +.6 | +.2 | (3) |
| Balance on goods and services, unilateral transfers excluding grants, U. S. private capital, and multilateral transfers [net outflow (−)] | +3.5 | +2.0 | +1.6 | −.3 | +.6 | +.7 | −.1 | (3) |
| U. S. Government capital and grants, excluding military transfers | −2.6 | −.9 | −1.1 | −.7 | −.3 | −.6 | −.4 | (3) |
| Increase (+) or decrease (−) in foreign gold and dollar assets [9] | −.9 | −1.0 | −.5 | +1.0 | −.4 | −.2 | +.5 | (3) |
| WITH CANADA | | | | | | | | |
| Exports of goods and services, excluding military transfers | 2.7 | 2.5 | 2.6 | 2.8 | 3.5 | 3.8 | 4.1 | (3) |
| Imports of goods and services [7] | 1.5 | 2.0 | 2.0 | 2.4 | 2.8 | 3.0 | 3.1 | (3) |
| Balance on goods and services and unilateral transfers excluding grants | +1.2 | +.4 | +.5 | +.3 | +.7 | +.9 | +.9 | (3) |
| U. S. private capital [net outflow (−)] | +.2 | −.2 | −.1 | −.7 | −.4 | −.4 | −.4 | (3) |
| Multilateral transfers [8] | −.5 | −.8 | −.5 | −.3 | −.3 | −.8 | −.4 | (3) |
| Balance on goods and services, unilateral transfers excluding grants, U. S. private capital, and multilateral transfers [net outflow (−)] | +.8 | −.4 | (4) | −.6 | (4) | −.3 | +.1 | (3) |
| U. S. Government capital and grants, excluding military transfers | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (3) |
| Increase (+) or decrease (−) in foreign gold and dollar assets [9] | −.8 | +.4 | (4) | +.6 | (4) | +.3 | −.1 | (3) |
| WITH LATIN AMERICA [6] | | | | | | | | |
| Exports of goods and services, excluding military transfers | 4.8 | 4.2 | 3.6 | 3.8 | 5.1 | 4.8 | 4.4 | (3) |
| Imports of goods and services [7] | 2.7 | 3.1 | 3.0 | 3.6 | 4.2 | 4.3 | 4.3 | (3) |
| Balance on goods and services and unilateral transfers excluding grants [net outflow (−)] | +2.0 | +1.1 | +.6 | +.2 | +.9 | +.5 | +.1 | (3) |
| U. S. private capital [net outflow (−)] | −.6 | −.3 | −.2 | (4) | −.3 | −.4 | +.2 | (3) |
| Multilateral transfers [8] | −.6 | −.7 | −.7 | −.5 | −.5 | −.2 | −.1 | (3) |
| Balance on goods and services, unilateral transfers excluding grants, U. S. private capital, and multilateral transfers [net outflow (−)] | +.8 | (4) | −.3 | −.3 | +.1 | −.1 | +.1 | (3) |
| U. S. Government capital and grants, excluding military transfers | −.2 | (4) | −.1 | (4) | −.1 | −.1 | −.4 | (3) |
| Increase (+) or decrease (−) in foreign gold and dollar assets [9] | −.6 | −.1 | +.4 | +.3 | (4) | +.1 | +.2 | (3) |

See footnotes at end of table.

TABLE D–55.—*United States balance of payments, excluding U. S. Government grants of military goods and services, 1947–54*—Continued

[Billions of dollars]

| Area and type of transaction | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954[1] |
|---|---|---|---|---|---|---|---|---|
| WITH OTHER COUNTRIES [illegible] | | | | | | | | |
| Exports of goods and services, excluding military transfers | 2.8 | 2.4 | 2.5 | 2.1 | 2.9 | 2.6 | 2.7 | (2) |
| Imports of goods and services [7] | 1.3 | 1.7 | 1.4 | 2.0 | 2.7 | 2.6 | 2.7 | (2) |
| Balance on goods and services and unilateral transfers excluding grants [net outflow (–)] | +1.5 | +.6 | +1.1 | +.1 | +.2 | (4) | +.1 | (2) |
| U. S. private capital [net outflow (–)] | –.4 | –.1 | –.2 | –.1 | –.3 | –.1 | –.2 | (2) |
| Multilateral transfers [illegible] | +.8 | +.8 | +.3 | +.2 | +.3 | +.6 | +.7 | (2) |
| Balance on goods and services, unilateral transfers excluding grants, U. S. private capital, and multilateral transfers | +2.0 | +1.3 | +1.3 | +.2 | +.2 | +.5 | +.5 | (2) |
| *U. S. Government capital and grants,* excluding military transfers | [illegible]–4.3 | –1.0 | –1.0 | –.8 | –.8 | –.6 | –.5 | (2) |
| Increase (+) or decrease (–) in foreign gold and dollar assets [illegible] | +2.3 | –.3 | –.2 | +.6 | +.6 | +.1 | (4) | (2) |

[1] *Preliminary estimates by Council of Economic Advisers.*
[illegible] international institutions.

Note.—[illegible]

*Source: Department of Commerce* (except as noted).

TABLE D-56.—*U. S. Government grants and capital movements to foreign countries, 1947–54*

[Millions of dollars]

| Type of aid | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 [1] |
|---|---|---|---|---|---|---|---|---|
| Disbursements on grants: | | | | | | | | |
| Military goods and services: | | | | | | | | |
| Mutual defense [2] | ------ | ------ | ------ | 460 | 1,458 | 2,003 | 4,281 | 3,362 |
| Greek-Turkish aid | 43 | 254 | 170 | 61 | 9 | ------ | ------ | ------ |
| Chinese aid | ------ | 46 | 40 | 5 | 3 | ------ | ------ | ------ |
| Other Government grants: | | | | | | | | |
| ECA and mutual security: | | | | | | | | |
| Europe | ------ | 1,397 | 3,730 | 2,719 | 2,507 | 1,528 | 1,194 | 1,012 |
| Other areas | ------ | 96 | 92 | 114 | 152 | 138 | 439 | 405 |
| Army civilian supply | 1,066 | 1,450 | 1,077 | 500 | 361 | 108 | 136 | 24 |
| Philippine rehabilitation | 86 | 130 | 203 | 166 | 12 | 4 | (3) | (3) |
| International relief agencies, excluding UNRRA | 34 | 116 | 104 | 84 | 39 | 48 | 93 | 56 |
| UNRRA, post-UNRRA, and interim aid | 784 | 627 | 2 | ------ | ------ | ------ | ------ | ------ |
| Other grants | 169 | 151 | 34 | 55 | 87 | 160 | 53 | 56 |
| Total disbursements | 2,182 | 4,267 | 5,452 | 4,164 | 4,628 | 4,649 | 6,196 | 4,915 |
| Less: Receipts | 242 | 73 | 245 | 154 | 123 | 86 | 102 | 76 |
| Equals: Net unilateral payments | 1,940 | 4,194 | 5,207 | 4,010 | 4,505 | 4,563 | 6,094 | 4,839 |
| Long-term capital: | | | | | | | | |
| Subscription to: | | | | | | | | |
| International Bank for Reconstruction and Development | 317 | ------ | ------ | ------ | ------ | ------ | ------ | ------ |
| International Monetary Fund | 2,745 | ------ | ------ | ------ | ------ | ------ | ------ | ------ |
| British loan | 2,850 | 300 | ------ | ------ | ------ | ------ | ------ | ------ |
| ECA and MSA programs | ------ | 476 | 428 | 163 | 209 | 334 | 64 | 56 |
| Export-Import Bank | 797 | 454 | 163 | 193 | 222 | 493 | 645 | 178 |
| Surplus credits (including ship sales) | 280 | 308 | 35 | 2 | ------ | ------ | ------ | ------ |
| Raw material credits to occupied areas | 86 | 7 | 26 | 28 | ------ | ------ | ------ | ------ |
| United Nations building loan | ------ | 3 | 20 | 22 | 13 | 7 | ------ | ------ |
| Other | 75 | 7 | 12 | 6 | 14 | 23 | 7 | 4 |
| Total long-term capital outflow | 7,150 | 1,555 | 684 | 414 | 458 | 847 | 716 | 238 |
| Less: Repayments | 294 | 443 | 205 | 295 | 305 | 429 | 485 | 512 |
| Equals. Net long-term capital outflow | 6,856 | 1,112 | 479 | 119 | 153 | 418 | 231 | −274 |
| Short term capital, net outflow | 113 | −88 | 173 | 37 | 3 | 2 | −11 | 116 |
| U. S. Government grants of military goods and services [2] | 43 | 300 | 210 | 526 | 1,470 | 2,003 | 4,281 | 3,362 |
| Other U. S. Government grants, net | 1,897 | 3,594 | 4,997 | 3,484 | 3,035 | 1,960 | 1,813 | 1,477 |
| U. S. Government long- and short-term capital net outflow | 6,969 | 1,024 | 652 | 156 | 156 | 420 | 220 | −158 |

[1] January–September data at annual rates.
[2] Includes loans and returns of military equipment.
[3] Less than 500 thousand dollars.

Source: Department of Commerce.

TABLE D-57.—*Estimated gold reserves and dollar holdings of foreign countries, 1928, 1937, and 1946–54*

[Billions of dollars, end of year]

| Area | 1928 | 1937 | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 [1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| All foreign countries | 8.8 | 15.1 | 19.4 | 15.2 | 15.0 | 15.4 | 19.1 | 19.2 | 20.5 | 23.1 | 24.7 |
| Sterling area | 1.4 | 4.9 | 4.5 | 3.7 | 2.9 | 2.7 | 4.5 | 3.8 | 3.3 | 4.1 | 4.3 |
| *Continental OEEC* countries and dependencies | 4.3 | 6.8 | 7.0 | 5.3 | 5.6 | 6.0 | 6.6 | 6.9 | 8.1 | 9.8 | 11.2 |
| Other Europe | .8 | 1.0 | .9 | .8 | .7 | .6 | .6 | .5 | .6 | .5 | .6 |
| Canada | .4 | .4 | 1.5 | .7 | 1.2 | 1.4 | 2.0 | 2.2 | 2.5 | 2.4 | 2.6 |
| Latin American Republics | 1.1 | 1.0 | 3.7 | 2.9 | 2.7 | 3.1 | 3.5 | 3.4 | 3.4 | 3.6 | 3.6 |
| All other countries | .8 | 1.0 | 1.8 | 1.8 | 1.9 | 1.6 | 1.9 | 2.4 | 2.6 | 2.7 | 2.4 |

[1] Preliminary.

Source: Board of Governors of the Federal Reserve System.

TABLE D-58.—*Indexes of quantity and unit value of United States merchandise imports for consumption and of domestic merchandise exports, by economic class, 1936–38 average and 1947–54*

[1936-38=100]

| Period | Total | Crude materials | Crude foodstuffs | Manufactured foodstuffs | Semimanufactures | Finished manufactures |
|---|---|---|---|---|---|---|
| | Quantity | | | | | |
| Merchandise imports for consumption: [1] | | | | | | |
| 1936–38 average | 100 | 100 | 100 | 100 | 100 | 100 |
| 1947 | 108 | 129 | 96 | 83 | 130 | 84 |
| 1948 | 123 | 139 | 109 | 91 | 149 | 103 |
| 1949 | 120 | 125 | 119 | 97 | 143 | 101 |
| 1950 | 146 | 152 | 113 | 117 | 219 | 125 |
| 1951 | 144 | 142 | 119 | 122 | 200 | 134 |
| 1952 | 151 | 150 | 118 | 129 | 206 | 150 |
| 1953 | 158 | 148 | 124 | 132 | 227 | 160 |
| 1954 [2] | 148 | 142 | 105 | 135 | 203 | 159 |
| | Unit value | | | | | |
| 1936–38 average | 100 | 100 | 100 | 100 | 100 | 100 |
| 1947 | 213 | 180 | 311 | 208 | 191 | 245 |
| 1948 | 235 | 203 | 343 | 212 | 217 | 266 |
| 1949 | 224 | 195 | 330 | 202 | 198 | 258 |
| 1950 | 243 | 214 | 454 | 263 | 193 | 252 |
| 1951 | 305 | 312 | 512 | 221 | 244 | 298 |
| 1952 | 289 | 258 | 516 | 222 | 248 | 292 |
| 1953 | 276 | 232 | 519 | 221 | 235 | 287 |
| 1954 [2] | 283 | 226 | 623 | 218 | 227 | 287 |
| | Quantity | | | | | |
| Domestic merchandise exports [1] | | | | | | |
| 1936–38 average | 100 | 100 | 100 | 100 | 100 | 100 |
| 1947 | 275 | 123 | 397 | 478 | 203 | 332 |
| 1948 | 214 | 100 | 362 | 350 | 144 | 257 |
| 1949 | 219 | 126 | 435 | 297 | 150 | 250 |
| 1950 | 183 | 128 | 287 | 237 | 127 | 225 |
| 1951 | 247 | 142 | 475 | 264 | 154 | 298 |
| 1952 | 251 | 121 | 427 | 243 | 152 | 326 |
| 1953 | 263 | 105 | 320 | 230 | 137 | 379 |
| 1954 [2] | 252 | 120 | 258 | 242 | 173 | 343 |
| | Unit value | | | | | |
| 1936–38 average | 100 | 100 | 100 | 100 | 100 | 100 |
| 1947 | 188 | 195 | 248 | 218 | 169 | 182 |
| 1948 | 200 | 223 | 255 | 223 | 184 | 193 |
| 1949 | 186 | 212 | 225 | 177 | 174 | 184 |
| 1950 | 180 | 220 | 193 | 151 | 170 | 179 |
| 1951 | 206 | 260 | 215 | 189 | 209 | 199 |
| 1952 | 205 | 245 | 233 | 177 | 206 | 200 |
| 1953 | 204 | 231 | 219 | 163 | 200 | 201 |
| 1954 [2] | 202 | 236 | 191 | 186 | 200 | 199 |

NOTE —Export indexes of crude and manufactured foodstuffs in some periods are influenced by sales of large quantities of food products at prices considerably below market quotations Such exports include sales from Government-owned surplus and shipments on which subsidies were paid by the Department of Agriculture

Source: Department of Commerce.

TABLE D-59.—*Changes in selected economic series since 1947 and since 1953*

| Source: Appendix Table No. | Economic series | Relatives on 1947 base | | | | | | Percentage change, 1953 to 1954 [1] |
|---|---|---|---|---|---|---|---|---|
| | | 1948 | 1949 | 1950 | 1952 | 1953 | 1954 | |
| D-1 | Gross national product | 111 | 111 | 123 | 149 | 157 | 154 | −2.1 |
| | Personal consumption expenditures | 108 | 109 | 118 | 132 | 139 | 142 | +1.7 |
| | Gross private domestic investment | 135 | 109 | 172 | 171 | 173 | 155 | −10.3 |
| | Government purchases of goods and services | 128 | 152 | 147 | 270 | 298 | 271 | −9.0 |
| D-2 | Gross national product, 1954 prices | 105 | 104 | 114 | 126 | 132 | 128 | −3.1 |
| | Personal consumption expenditures | 102 | 105 | 111 | 115 | 120 | 120 | +.3 |
| | Gross private domestic investment | 123 | 94 | 145 | 130 | 129 | 116 | −10.5 |
| | Government purchases of goods and services: | | | | | | | |
| | Total | 121 | 140 | 132 | 216 | 240 | 216 | −10.0 |
| | Federal | 132 | 154 | 130 | 290 | 330 | 274 | −17.1 |
| | State and local | 110 | 125 | 135 | 139 | 146 | 156 | +7.0 |
| D-4 | Gross private product, 1954 prices | 105 | 104 | 115 | 125 | 131 | 126 | −3.2 |
| | Farm | 120 | 110 | 117 | 111 | 115 | 116 | +.9 |
| | Nonfarm | 104 | 104 | 114 | 126 | 132 | 127 | −3.4 |
| | Government product | 100 | 105 | 109 | 150 | 148 | 144 | −2.8 |
| D-6 | Personal consumption expenditures | 108 | 109 | 118 | 132 | 139 | 142 | +1.7 |
| | Durable goods | 108 | 115 | 139 | 130 | 144 | 141 | −2.4 |
| | Nondurable goods | 106 | 104 | 108 | 125 | 128 | 129 | +1.8 |
| | Services | 111 | 117 | 127 | 147 | 159 | 165 | +3.8 |
| D-8 | National income | 112 | 110 | 122 | 148 | 155 | 152 | −1.6 |
| | Compensation of employees | 109 | 109 | 120 | 152 | 162 | 161 | −.9 |
| | Business and professional | 109 | 108 | 115 | 129 | 132 | 130 | −1.1 |
| | Farm proprietors | 115 | 88 | 92 | 93 | 84 | 82 | −2.5 |
| | Rental income | 111 | 122 | 131 | 154 | 163 | 168 | +2.8 |
| | Corporate profits before taxes and inventory valuation | 130 | 119 | 149 | 162 | 163 | 148 | −9.1 |
| D-11 | Personal income | 110 | 109 | 119 | 142 | 150 | 150 | +.1 |
| | Disposable personal income | 111 | 111 | 122 | 140 | 148 | 150 | +1.4 |
| | Personal net saving | 250 | 190 | 302 | 460 | 500 | 490 | −2.0 |
| D-12 | Per capita disposable personal income: | | | | | | | |
| | Current prices | 109 | 108 | 116 | 129 | 134 | 133 | −.4 |
| | 1954 prices | 101 | 101 | 108 | 108 | 111 | 111 | −.8 |
| D-15 | Realized net farm income | 93 | 81 | 74 | 81 | 79 | 75 | −6.8 |
| D-12 | Population: Total | 102 | 104 | 105 | 109 | 111 | 113 | +1.7 |
| D-16 | 14 years of age and over | 101 | 102 | 103 | 105 | 107 | 108 | +.9 |
| D-16 | Labor force, including armed forces | 102 | 103 | 105 | 108 | 109 | 110 | +.7 |
| | Civilian labor force | 102 | 103 | 105 | 105 | 106 | 107 | +1.0 |
| | Employment | 102 | 101 | 103 | 106 | 107 | 106 | −1.4 |
| | Agricultural | 96 | 97 | 91 | 82 | 79 | 79 | −.9 |
| | Nonagricultural | 103 | 102 | 105 | 109 | 112 | 110 | −1.6 |
| D-22 | Wage and salary workers in nonagricultural establishments | 102 | 100 | 103 | 111 | 114 | 111 | −2.6 |
| | Manufacturing | 100 | 93 | 98 | 107 | 113 | 105 | −7.1 |
| | Durable | 99 | 89 | 97 | 112 | 121 | 110 | −9.4 |
| | Nondurable | 101 | 97 | 99 | 101 | 103 | 99 | −3.8 |
| | Contract construction | 109 | 109 | 118 | 133 | 133 | 133 | −.6 |
| | Government | 103 | 107 | 110 | 121 | 122 | 123 | +1.0 |
| | All other | 103 | 102 | 103 | 110 | 112 | 111 | −.9 |
| D-24 | Average gross hourly earnings: | | | | | | | |
| | Manufacturing | 109 | 113 | 118 | 135 | 143 | 146 | +2.3 |
| | Durable goods | 109 | 114 | 119 | 137 | 145 | 149 | +2.7 |
| | Nondurable goods | 109 | 113 | 118 | 132 | 138 | 142 | +3.1 |
| | Building construction | 81 | 116 | 121 | 138 | 148 | 155 | +4.8 |
| | Retail trade | 108 | 113 | 117 | 131 | 139 | 144 | +2.8 |

See footnotes at end of table.

TABLE D-59.—*Changes in selected economic series since 1947 and since 1953*—Continued

| Source, Appendix Table No. | Economic series | Relatives on 1947 base | | | | | | Percentage change, 1953 to 1954 [1] |
|---|---|---|---|---|---|---|---|---|
| | | 1948 | 1949 | 1950 | 1952 | 1953 | 1954 | |
| D-25 | Average gross weekly earnings: | | | | | | | |
| | Manufacturing | 108 | 110 | 119 | 136 | 143 | 143 | −.1 |
| | Durable goods | 109 | 111 | 121 | 140 | 147 | 147 | −.3 |
| | Nondurable goods | 108 | 109 | 117 | 130 | 135 | 138 | +1.6 |
| | Building construction | 109 | 112 | 116 | 139 | 145 | 149 | +2.6 |
| | Retail trade | 108 | 113 | 117 | 130 | 135 | 140 | +3.4 |
| D-26 | Industrial production | 104 | 97 | 112 | 124 | 134 | 125 | −6.7 |
| | Manufactures | 103 | 97 | 113 | 125 | 136 | 127 | −6.6 |
| | Durable | 103 | 94 | 115 | 135 | 151 | 137 | −9.8 |
| | Nondurable | 103 | 100 | 112 | 115 | 119 | 117 | −1.7 |
| | Minerals | 106 | 94 | 105 | 114 | 116 | 111 | −4.3 |
| D-27 | Agricultural production | 109 | 106 | 105 | 113 | 114 | 114 | .0 |
| D-28 | Business expenditures for new plant and equipment | 107 | 94 | 100 | 129 | 138 | 129 | −6.0 |
| | Manufacturing | 105 | 82 | 88 | 134 | 141 | 129 | −8.5 |
| D-29 | New construction, current prices | 130 | 137 | 170 | 198 | 211 | 223 | +5.4 |
| | Private | 127 | 124 | 162 | 167 | 180 | 194 | +7.7 |
| | Residential (nonfarm) | 136 | 131 | 200 | 176 | 189 | 213 | +12.7 |
| | Public | 141 | 187 | 204 | 318 | 331 | 334 | +.6 |
| D-35 | Wholesale price index: All commodities | 108 | 103 | 107 | 116 | 114 | 114 | +.2 |
| | Farm products | 107 | 93 | 98 | 107 | 97 | 96 | −1.3 |
| | Processed foods | 108 | 97 | 102 | 111 | 107 | 107 | +.7 |
| | Other than farm products and foods | 108 | 106 | 110 | 119 | 120 | 120 | +.4 |
| D-36 | Consumer price index. All items | 108 | 107 | 108 | 119 | 120 | 120 | +.4 |
| | Food | 109 | 104 | 108 | 119 | 118 | 118 | 0 |
| | Apparel | 107 | 102 | 101 | 109 | 108 | 107 | −.5 |
| | Rent | 107 | 111 | 115 | 125 | 131 | 136 | +3.5 |
| | Medical care [2] | 106 | 110 | 112 | 123 | 128 | 132 | +3.1 |
| D-37 | Prices received by farmers | 104 | 91 | 93 | 104 | 93 | 91 | −3.1 |
| | Parity index (prices paid, interest, taxes, and wage rates) | 108 | 105 | 107 | 120 | 116 | 117 | +.7 |
| D-39 | Short- and intermediate term consumer credit outstanding | 125 | 148 | 180 | 223 | 255 | 261 | +2.2 |
| | Instalment credit | 134 | 172 | 216 | 279 | 331 | 336 | +1.4 |
| | Automobile paper | 159 | 244 | 330 | 421 | 537 | 541 | +.6 |
| D-41 | Mortgage debt outstanding | 115 | 128 | 149 | 186 | 207 | 231 | +11.7 |
| D-42 | Demand deposits adjusted and currency | 98 | 98 | 104 | 114 | 115 | 118 | +3.1 |
| D-43 | Loans and investments of all commercial banks | 98 | 103 | 109 | 122 | 125 | 134 | +7.0 |
| | Loans | 112 | 113 | 137 | 169 | 177 | 184 | +3.8 |
| | Investments in U. S. Government obligations | 90 | 97 | 90 | 91 | 92 | 100 | +9.5 |
| D-45 | Gross public debt and guaranteed issues | 98 | 100 | 100 | 104 | 107 | 108 | +1.3 |
| D-49 | Corporate profits before taxes | 111 | 89 | 136 | 128 | 134 | 119 | −11.2 |
| | Corporate profits after taxes | 112 | 87 | 121 | 95 | 101 | 98 | −2.7 |
| | Dividend payments | 111 | 115 | 142 | 140 | 145 | 152 | +5.3 |
| | Undistributed profits | 111 | 71 | 110 | 69 | 76 | 68 | −10.1 |
| D-54 | New business incorporations | 85 | 76 | 82 | 82 | 91 | 104 | +13.9 |
| | Business failures | 151 | 266 | 264 | 219 | 255 | 319 | +25.1 |
| D-58 | Merchandise imports (quantity) | 114 | 111 | 135 | 140 | 146 | 137 | −6.3 |
| | Merchandise exports (quantity) | 78 | 80 | 70 | 91 | 96 | 92 | −4.2 |

[1] Changes are computed from data as reported and therefore may differ slightly from changes computed from the relatives shown here.

[2] Based on percentage changes published in Department of Labor monthly reports on consumer prices.



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